Supreme Court, U.S.
FILED
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No. 98-231

In The Supreme Court of the United States

October Term, 1998

Grupo Mexicano de Desarrollo, S.A., *et al.*,
Petitioners,

v.

Alliance Bond Fund, Inc., *et al.*,
Respondents.

On Writ of Certiorari to the United States Court of Appeals for the Second Circuit

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JOINT APPENDIX

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PETITION FOR CERTIORARI FILED AUGUST 4, 1998
CERTIORARI GRANTED NOVEMBER 30, 1998

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NOTICE

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

Docket No. 97-CV-9165

ALLIANCE BOND FUND., INC., *et al.*,
Plaintiffs,

v.

GRUPO MEXICANO DE DESARROLLO, S.A., *et al.*,
Defendants.

DOCKET ENTRIES

Date	No.	PROCEEDINGS
12/12/97	1	COMPLAINT filed; Summons issued and Notice pursuant to 28 U.S.C. 636(c); FILING FEE $150.00. RECEIPT # 303777. (em) [Entry date 12/15/97]
12/12/97	2	Rule 1.9 certificate filed by Alliance Bond Fund, Inc., Alliance World Dollar Government Fund II, Inc., and Alliance Global Dollar Government Fund, Inc. (em) [Entry date 12/15/97]
12/12/97	3	Rule 1.9 certificate filed by Elliot Associates, L.P., Avalon Total Return Fund, L.P., The Varde Fund, L.P., The Varde Fund II-A, L.P., The Varde Fund II-B, L.P., The Varde Fund III-A, L.P., The Varde Fund III-B, L.P., The Varde Fund IV-A, L.P. (em) [Entry date 12/15/97]
12/12/97	—	Magistrate Judge Buchwald is so Designated. (em) [Entry date 12/15/97]
12/12/97	4	ORDER TO SHOW CAUSE by Alliance Bond Fund, Alliance World Doll., Alliance Global, Elliot Associates, Avalon Total Return, The

Date	No.	PROCEEDINGS
		Varde Fund, L.P., The Varde Fund II-A, The Varde Fund II-B, The Varde Fund III-A, The Varde Fund III-B, The Varde Fund IV-A Show Cause Hearing set for 9:30 12/19/97 for preliminary injunction; for temporary restraining order (signed by Judge John S. Martin); Copies mailed (cd) [Entry date 12/16/97]
12/15/97	6	Affidavit of service of Order to Show Cause, S&C, etc. as to Desarrollo Indust. by Fidel Hawker on 12/12/97; Answer due on 1/1/98 for Desarrollo Indust. (filed in the night deposit on 12/15/97 at 9:34 p.m.) (ae) [Entry date 12/23/97]
12/15/97	6	Affidavit of service of Order to Show Cause, S&C, etc. as to Desarrollo de Infra. by Fidel Hawker on 12/12/97; Answer due on 1/1/98 for Desarrollo de Infra. (filed in the night deposit on 12/15/97 at 9:34 p.m.) (ae) [Entry date 12/23/97]
12/15/97	6	Affidavit of service of Order to Show Cause, S&C, etc. as to Desarrollo Urbano by Fidel Hawker on 12/12/97; Answer due on 1/1/98 for Desarrollo Urbano (filed in the night deposit on 12/15/97 at 9:34 p.m.) (ae) [Entry date 12/23/97]
12/15/97	6	Affidavit of service of Order to Show Cause, S&C, etc. as to Grupo Mexicano de by Fidel Hawker on 12/12/97; Answer due on 1/1/98 for Grupo Mexicano de (filed in the night deposit on 12/15/97 at 9:34 p.m.) (ae) [Entry date 12/23/97] [Edit date 12/23/97]
12/15/97	6	Affidavit of service of Order to Show Cause, S&C, etc. as to Obras Y Proyectos by Fidel Hawker on 12/12/97; Answer due on 1/1/98 for Obras Y Proyectos (filed in the night deposit on 12/15/97 at 9:34 p.m.) (ae) [Entry date 12/23/97]

Date	No.	PROCEEDINGS
12/16/97	5	SEALED DOCUMENT placed in vault (sp)
12/18/97	7	MEMORANDUM of LAW by Grupo Mexicano de, Desarrollo de Infra., Obras Y Proyectos, Desarrollo Urbano, Desarrollo Indust. in opposition to [4-1] motion for preliminary injunction (djc) [Entry date 12/23/97]
12/18/97	10	DECLARATION of Michael Kramer in support of plaintiffs' [4-1] motion for preliminary injunction, [4-2] motion for temporary restraining order. (kw) [Entry date 12/29/97]
12/19/97	11	DECLARATION of Jim Monahan in support [4-1] motion for preliminary injunction (ys) [Entry date 12/29/97]
12/19/97	12	DECLARATION of Greg Schron in support [4-1] motion for preliminary injunction (ys) [Entry date 12/29/97]
12/19/97	13	REPLY MEMORANDUM IN SUPPORT by Alliance Bond Fund, Alliance World Doll., Alliance Global, Elliot Associates, Avalon Total Return, The Varde Fund, L.P., The Varde Fund II-A, The Varde Fund II-B, The Varde Fund III-A, The Varde Fund III-B, The Varde Fund IV-A re: [4-1] motion for preliminary injunction (ys) [Entry date 12/29/97]
12/19/97	14	DECLARATION of Mark Sandberg in support [4-1] motion for preliminary injunction (ys) [Entry date 12/29/97]
12/19/97	15	DECLARATION of Erin L. McManus in support [4-1] motion for preliminary injunction (ys) [Entry date 12/29/97]
12/19/97	16	SUPPLEMENTAL DECLARATION of Michael Kramer in support [4-1] motion for preliminary injunction (ys) [Entry date 12/29/97]

Date	No.	PROCEEDINGS
12/19/97	17	AFFIDAVIT of Daniel Salcido (ys) [Entry date 12/29/97]
12/22/97	8	Memo endorsed on copy of Order to Show Cause; continuing the TRO to 12/23/97 (signed by Judge John S. Martin); Copies mailed. (cd) [Entry date 12/23/97]
12/22/97	20	REPLY MEMORANDUM IN SUPPORT by Alliance Bond Fund, Alliance World Doll., Alliance Global, Elliot Associates, Avalon Total Return, The Varde Fund, L.P., The Varde Fund II-A, The Varde Fund II-B, The Varde Fund III-A, The Varde Fund III-B, The Varde Fund IV-A re: [4-1] motion for preliminary injunction (ys) [Entry date 12/29/97]
12/23/97	9	NOTICE OF APPEAL by Grupo Mexicano de, Desarrollo de Infra., Obras Y Proyectos, Desarrollo Urbano, Desarrollo Indust.; from this Court's Order dated December 23, 1997 granting plaintiffs' motion for a preliminary injunction (the "Order"). Copies of notice of appeal mailed to Attorney(s) of Record: Duncan N. Darrow, Dale C. Christensen Jr.. $105.00 Appeal filing fee paid on December 23, 1997 on receipt # E 304543. (dt) [Edit date 12/23/97]
12/23/97	23	SEALED DOCUMENT placed in vault (af) [Entry date 12/30/97]
12/24/97	18	ORDER, granting [4-1] motion for a preliminary injunction; pending disposition of this action, Defendants, their agents, officers, etc. are Enjoined and Restrained from dissipating, disbursing, transferring, conveying, encumbering or otherwise distributing or affecting any Defendant's right to, interest in, title to or right to receive or retain, any of the Government Notes; nothing contained herein

Date	No.	PROCEEDINGS
		shall prohibit the defendants from commenceing any insolvency proceedings under any applicable law (signed by Judge John S. Martin); Copies mailed (ae) [Entry date 12/29/97]
12/24/97	19	MEMORANDUM OPINION #79827; in connection w/ the Court's order today granting a preliminary injunction against defts, the Court orders that the pltffs post bond of $50,000 (signed by Judge John S. Martin); Copies mailed. (emil) [Entry date 12/29/97]
12/24/97	22	BOND #608147 for $50,000 entered by plaintiffs. (kw) [Entry date 12/30/97]
12/29/97	21	Notice that the record on appeal has been certified and transmitted to the U.S. Court of Appeals: [9-1] appeal by Desarrollo Indust., Desarrollo Urbano, Obras Y Proyectos, Desarrollo de Infra., Grupo Mexicano de on December 29, 1997. (dt)
12/30/97	24	SEALED DOCUMENT placed in vault (af)
1/7/98	25	STIPULATION and ORDER, reset answer due for 5:30 p.m. on 1/8/98 for Desarrollo Indust., for Desarrollo Urbano, for Obras Y Proyectos, for Desarrollo de Infra., and for Grupo Mexicano de (signed by Judge John S. Martin). (kw) [Entry date 01/08/98]
1/8/98	26	ANSWER to Complaint; jury demand and COUNTERCLAIM by Grupo Mexicano de, Desarrollo de Infra., Obras Y Proyectos, Desarrollo Urbano, Desarrollo Indust.; against Alliance Bond Fund, Alliance World Doll., Alliance Global, Elliot Associates, Avalon Total Return, Varde Fund, L.P., The Varde Fund II-A, The Varde Fund II-B, The Varde Fund III-A, The Varde Fund III-B, The Varde Fund IV-A; by attorney Richard A. Mescon (ls) [Entry date 01/12/98]

Date	No.	PROCEEDINGS
1/8/98	27	Rule 1.9 certificate filed by Grupo Mexicano de, Desarrollo de Infra., Obras Y Proyectos, Desarrollo Urbano, Desarrollo Indust. (ls) [Entry date 01/12/98]
1/27/98	28	Notice that the record on appeal has been certified and transmitted to the U.S. Court of Appeals: [9-1] appeal by Desarrollo Indust., Desarrollo Urbano, Obras Y Proyectos, Desarrollo de Infra., Grupo Mexicano de on January 27, 1998. (dt)
1/30/98	29	STIPULATION and ORDER, plaintiffs' response to defendants' counterclaims reset for 2/19/98 (signed by Judge John S. Martin). (ae) [Entry date 02/02/98]
2/5/98	30	SEALED DOCUMENT placed in vault (sp)
2/5/98	31	ORDER TO SHOW CAUSE by Grupo Mexicano de, Desarrollo de Infra., Obras Y Proyectos, Desarrollo Urbano, and Desarrollo Indust.; Show Cause Hearing set for 4:00 p.m. on 2/13/98; why an order should not be entered releasing $7,073,000 (U.S.) from the preliminary injunction entered in this action (signed by Judge John S. Martin); Copies mailed. (kw) [Entry date 02/06/98] [Edit date 02/09/98]
2/5/98	32	MEMORANDUM by Grupo Mexicano de, Desarrollo de Infra., Obras Y Proyectos, Desarrollo Urbano, and Desarrollo Indust. in support of [31-1] motion for an order entered releasing $7,073,000 (U.S.) from the preliminary injunction entered in this action. (kw) [Entry date 02/06/98]
2/6/98	33	Transcript of record of proceedings before Judge Martin filed for dates of December 23, 1997 (bm)

Date	No.	PROCEEDINGS
2/6/98	34	Transcript of record of proceedings before Judge Martin filed for dates of December 19, 1997 (bm)
2/6/98	35	CERTIFICATE OF SERVICE of Order To Show Cause, Memorandum in Support of Order To Show Cause and Declaration of Jorge Zapata to counsel for pltffs by personal service on 2/4/98 (sac) [Entry date 02/09/98]
2/12/98	37	MEMORANDUM by Alliance Bond Fund, Alliance World Doll., Alliance Global, Elliot Associates, Avalon Total Return, The Varde Fund, L.P., The Varde Fund II-A, The Varde Fund II-B, The Varde Fund III-A, The Varde Fund III-B, The Varde Fund IV-A in opposition to [31-1] motion why an order should not be entered releasing $7,073,000 (U.S.) from the preliminary injunction entered in this action. Received in the night deposit box on 2/12/98 at 12:59 p.m. (sac) [Entry date 02/20/98]
2/13/98	36	Declaration of service of pltffs' Memorandum in Opposition to defts' Application for Relief from the Preliminary Injunction Order as to Grupo Mexicano de, Desarrollo de Infra., Obras Y Proyectos, Desarrollo Urbano, Desarrollo Indust. by fax on 1/12/98. (sac) [Entry date 02/19/98]
2/17/98	38	REPLY MEMORANDUM by Grupo Mexicano de, Desarrollo de Infra., Obras Y Proyectos, Desarrollo Urbano, Desarrollo Indust. re: [31-1] motion why an order should not be entered releasing $7,073,000 (U.S.) from the preliminary injunction entered in this action (ys) [Entry date 02/20/98]
2/19/98	45	NOTICE OF MOTION by Grupo Mexicano de, Desarrollo de Infra., Obras Y Proyectos,

Date	No.	PROCEEDINGS
		Desarrollo Urbano, Desarrollo Indust.; to withdraw [31-1] motion why an order should not be entered releasing $7,073,000 (U.S.) from the preliminary injunction entered in this action (ae) [Entry date 02/25/98]
2/20/98	39	Memo endorsed on notice of withdrawal of motion; withdrawing [31-1] motion for an order, releasing $7,073,000 (U.S.) from the preliminary injunction entered in this action (signed by Judge John S. Martin); Copies mailed. (ae) [Entry date 02/24/98]
2/23/98	40	NOTICE OF MOTION by Alliance Bond Fund, Alliance World Doll., Alliance Global, Elliot Associates, Avalon Total Return, The Varde Fund, L.P., The Varde Fund II-A, The Varde Fund II-B, The Varde Fund III-A, The Varde Fund III-B, The Varde Fund IV-A for summary judgment, Return date not indicated. Attached Rule 56.1 Statement and Affidavit of Dale C. Christensen, Jr. (ys) [Entry date 02/25/98]
2/23/98	41	MEMORANDUM by Alliance Bond Fund, Alliance World Doll., Alliance Global, Elliot Associates, Avalon Total Return, The Varde Fund, L.P., The Varde Fund II-A, The Varde Fund II-B, The Varde Fund III-A, The Varde Fund III-B, The Varde Fund IV-A in support of [40-1] motion for summary judgment (ys) [Entry date 02/25/98]
2/23/98	42	REPLY by Alliance Bond Fund, Alliance World Doll., Alliance Global, Elliot Associates, Avalon Total Return, The Varde Fund, L.P., The Varde Fund II-A, The Varde Fund II-B, The Varde Fund III-A, The Varde Fund III-B, The Varde Fund IV-A to [26-2] counter claim; Firm of: Orrick, Herrington & Sutcliffe LLP and Seward & Kissel by attorney

Date	No.	PROCEEDINGS
		Andrew J. Wertheim for counter-defendant The Varde Fund IV-A, Duncan N. Darrow for counter-defendant The Varde Fund IV-A, Dale C. Christensen Jr. for counter-defendant Alliance Global (ys) [Entry date 02/25/98]
2/23/98	43	NOTICE OF MOTION by Alliance Bond Fund, Alliance World Doll., Alliance Global, Elliot Associates, Avalon Total Return, The Varde Fund, L.P., The Varde Fund II-A, The Varde Fund II-B, The Varde Fund III-A, The Varde Fund III-B, The Varde Fund IV-A to dismiss counterclaims, Return date not indicated. (ys) [Entry date 02/25/98]
2/23/98	44	MEMORANDUM by Alliance Bond Fund, Alliance World Doll., Alliance Global, Elliot Associates, Avalon Total Return, The Varde Fund, L.P., The Varde Fund II-A, The Varde Fund II-B, The Varde Fund III-A, The Varde Fund III-B, The Varde Fund IV-A in support of [43-1] motion to dismiss counterclaims (ys) [Entry date 02/25/98]
3/9/98	46	MEMORANDUM by Grupo Mexicano de, Desarrollo de Infra., Obras Y Proyectos, Desarrollo Urbano, Desarrollo Indust. in opposition to pltffs' application for a preliminary injunction (ls) [Entry date 03/12/98]
4/1/98	47	STIPULATION and ORDER, extending time of defts to serve papers in opposition to pltffs' motion for summary judgment is hereby extended to 4/3/98. In addition, GMD agrees to serve the opposition papers on counsel of record for pltffs by hand or telecopy by 5:30 p.m. on 4/3/98; pltffs shall have until 5:30 on 4/24/98 to serve any reply in further support of the motions (signed by Judge John S. Martin). (kg) [Entry date 04/02/98]

Date	No.	PROCEEDINGS
4/6/98	48	RESPONSE by defendants to Re: [43-1] motion to dismiss counterclaims. (kw) [Entry date 04/09/98]
4/15/98	49	REPLY MEMORANDUM by Elliot Associates, Avalon Total Return, The Varde Fund, L.P., The Varde Fund II-A, The Varde Fund II-B, The Varde Fund III-A, The Varde Fund III-B, The Varde Fund IV-A re: in further support of [40-1] motion for summary judgment (sac) [Entry date 04/16/98]
4/15/98	50	SUPPLEMENTAL DECLARATION of Michael Kramer in support by Elliot Associates, Avalon Total Return, The Varde Fund, L.P., The Varde Fund II-A, The Varde Fund II-B, The Varde Fund III-A, The Varde Fund III-B, The Varde Fund IV-A [40-1] motion for summary judgment (sac) [Entry date 04/16/98]
4/17/98	51	JUDGMENT #98,0897; defts shall pay pltffs the sum of $82,323,936 as of 4/10/98 together with interest accrued to the date of this Judgment at the rate of $17,189 per day for a total sum of $82,444,259. (signed by Judge John S. Martin); Mailed copies and notice of right to appeal. (sac) [Entry date 04/20/98]
4/17/98	52	ORDER; granting [40-1] motion for summary judgment; pltffs are awarded jdgmt. in the amt. of $82,444,259.00; granting [43-1] motion to dismiss counterclaims; pltffs' motion for an order directing defts to irrevocably assign or transfer to pltffs a sufficient amt. of toll road Receivables or Govt. Notes to satisfy the jdgmt. is granted; pending such assignment or transfer, the restraints as stated in the preliminary injunction ordered 12/23/97 shall continue and are incorporated herein by reference; the preliminary injunction ordered 12/23/97 is converted to a permanent injunction effective until the deft meets its obligation set forth in paragraph 3; defts' obligation in paragraph 3 is stayed for 10 days; (signed by Judge S. Martin); copies mailed; forwarded orig. doc. to Jdgmt. Clerk on 4/20/98 (ls) [Entry date 04/20/98] [Edit date 04/20/98]

Date	No.	PROCEEDINGS
4/17/98	53	AFFIDAVIT of David L. Feron Re: that attached hereto is a true and accurate transcription of relevant portions of the oral argument that took place before the Second Circuit Court of Appeals on February 20, 1998 in the matter of Alliance Bond Fund, Inc., et al. v. Grupo Mexicano de DeSarrollo, S.A., et al docket no. 97-9610 (djc) [Entry date 04/21/98]
4/17/98	—	Case closed (sac) [Entry date 04/22/98]
4/20/98	54	NOTICE OF APPEAL by Grupo Mexicano de, Desarrollo de Infra., Obras Y Proyectos, Desarrollo Urbano, Desarrollo Indust.; from [52-1] order pltffs' motion for an order directing defts to irrevocably assign or transfer to pltffs a sufficient amt. of toll road Receivables or Govt. Notes to satisfy the jdgmt. is granted, [51-1] judgment order. Copies of notice of appeal mailed to Attorney(s) of Record: Andrew J. Wertheim, Dale C. Christensen Jr., Fees Due. (as) [Entry date 04/21/98]
4/22/98	—	Fee pd. $105.00, rec # 314204 on 4/22/98. (as)
4/27/98	55	True Copy of Order from the USCA as to Grupo Mexicano de RE: It is hereby ordered that the motion be and it hereby is referred to the panel hearing the appeal. (98-7549) George Lange, III, Clerk, USCA. (as) [Entry date 04/29/98]

Date	No.	PROCEEDINGS
5/6/98	56	STIPULATION and ORDER, defendants' time to irrevocably assign or transfer to plaintiffs a sufficient amount of Toll Road Receivables or Government Notes to satisfy the Judgment herein, as provided in this Court's Order and in this Court's Judgment, both dated 4/17/98, is hereby extended from 5/1 to 5/8/98. All other provisions in such Order and Judgment shall remain unchanged and in full force and effect (signed by Judge John S. Martin). (ae) [Entry date 05/07/98]
5/7/98	57	True Copy of Order from the USCA RE: ntiff Alliance Bond Fund moves to dismiss the appeal on the grounds that it is moot. The motion is denied. (98-7549) George Lange, III, Clerk, USCA. (as)
5/7/98	58	True Copy of Order from the USCA as to Grupo Mexicano de, Desarrollo de Infra., Obras Y Proyectos, Desarrollo Urbano, Desarrollo Indust. RE: So much of the district court's order and judgment as requires defts to irrevocably assign or transfer certain notes and receivables to plaintiffs within ten business days is stayed pending appeal. The rest of the order and judgment, including the entry of permanent injunction, is unaffected by this order and remains effective. (97-9610) George Lange, III, Clerk, USCA. (as) [Entry date 05/12/98]
5/28/98	59	MANDATE OF USCA (certified copy) Re: It is now hereby ordered, adjudged and decreed that the judgment be and it hereby is affirmed. (97-9610) George Lange, III, Clerk, USCA. (as)
6/5/98	60	Transcript of record of proceedings before Judge Martin filed for dates of 4/17/98 (bm)

Date	No.	PROCEEDINGS
6/10/98	61	NOTICE OF MOTION by Elliot Associates, Avalon Total Return, The Varde Fund, L.P., The Varde Fund II-A, The Varde Fund II-B, The Varde Fund III-A, The Varde Fund III-B, The Varde Fund IV-A, Alliance Bond Fund, Alliance World Doll., Alliance Global; pursuant to the Inter-American Convention on Letter Rogatory and Section 1781, Title 28, U.S. Code, directing the issuance by this Court of a Letter Rogatory addressed to the appropriate Judicial Authority in the United Mexican States and requesting Judgment rendered by this Court on 4/17/98 in plaintiffs' favor in the amount of $82,444,259 be formally recognized and enforced in accordance with Mexican law; with Affidavit in support attached (ae) [Entry date 06/11/98]
6/10/98	62	MEMORANDUM OF LAW by Elliot Associates, Avalon Total Return, The Varde Fund, L.P., The Varde Fund II-A, The Varde Fund II-B, The Varde Fund III-A, The Varde Fund III-B, The Varde Fund IV-A, Alliance Bond Fund, Alliance World Doll., Alliance Global in support of [61-1] motion pursuant to the Inter-American Convention on Letter Rogatory and Section 1781, Title 28, U.S. Code, directing the issuance by this Court of a Letter Rogatory addressed to the appropriate Judicial Authority in the United Mexican States and requesting Judgment rendered by this Court on 4/17/98 in plaintiffs' favor in the amount of $82,444,259 be formally recognized and enforced in accordance with Mexican law (ae) [Entry date 06/11/98]
6/24/98	63	MEMORANDUM by Grupo Mexicano de, Desarrollo de Infra., Obras Y Proyectos, Desarrollo Urbano, Desarrollo Indust. in opposition to [6_-1] motion pursuant to the Inter-Amer-

Date	No.	PROCEEDINGS
		ican Convention on Letter Rogatory and Section 1781, Title 28, U.S. Code, directing the issuance by this Court of a Letter Rogatory addressed to the appropriate Judicial Authority in the United Mexican States and requesting Judgment rendered by this Court on 4/17/98 in plaintiffs' favor in the amount of $82,444,259 be formally recognized and enforced in accordance with Mexican law (cd) [Entry date 06/25/98]
7/1/98	64	DECLARATION of Jaime R. Cuerra Gonzalez in support of plaintiffs' motion for issuance of a letter Rogatory to a foreign country. (kw) [Entry date 07/06/98]
7/1/98	65	REPLY MEMORANDUM by plaintiffs in further support of plaintiffs' motion for issuance of letter Rogatory to a foreign country. (kw) [Entry date 07/06/98]

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

Docket No. 97-9610

ALLIANCE BOND FUND., INC., *et al.*,
Plaintiffs-Appellees,
v.

GRUPO MEXICANO DE DESARROLLO, S.A., *et al.*,
Defendants-Appellants.

DOCKET ENTRIES

Date	PROCEEDINGS
1/8/97	Notice of Appeal Acknowledgment Letter from Richard A. Mescon for Appellants Desarrollo Industria, Desarrollo Urbano, Obras Y Proyectos, Desarrollo De, Grupo Mexicano De received. (cv75)
12/24/97	Copy of district court docket entries and notice of appeal on behalf of Appellants Grupo Mexicano De, Desarrollo De, Obras Y Proyectos, Desarrollo Urbano, Desarrollo Industria filed. [97-9610] Form C due on 1/2/98, Form D due on 1/2/98. (cv75)
12/24/97	Copy of district court order, dated December 23, 1997 (cv75)
12/24/97	Copy of receipt re: payment of docketing fee filed on behalf of Appellants Grupo Mexicano De, Desarrollo De, Obras Y Proyectos, Desarrollo Urbano, Desarrollo Industria receipt #: E 304543. [97-9610] (cv75)
12/24/97	Appellants Desarrollo De, Obras Y Proyectos, Desarrollo Urbano, Desarrollo Industria motion to

Date	PROCEEDINGS
	expedite appeal FILED (w/pfs). [1099433-1] Attached ~~Memo~~randum of Law in Support of Motion for an expedited appeal (cv75)
12/29/97	Record on appeal index in lieu of record filed. (cv75)
12/29/97	Order FILED GRANTING motion to expedite appeal [1099433-1] by Appellant Desarrollo De, Obras Y Proyectos, Desarrollo Urbano, Desarrollo Industria, endorsed on motion form dated 12/24/97. (cv75)
12/29/97	Expedited scheduling order filed. Record on appeal is due on 1/8/98. Appellant's brief and appendix due on 1/8/98. Appellee's brief is due on 1/23/98. Appellant's reply brief is due on 1/29/98. Argument as early as the week of 2/19/98. (cv75)
12/31/97	Appellants Grupo Mexicano De, Desarrollo De, Obras Y Proyectos, Desarrollo Urbano, Desarrollo Industria Form C filed, with proof of service. [97-9610] Form C deadline satisfied. (cv75)
12/31/97	Appellants Grupo Mexicano De, Desarrollo De, Obras Y Proyectos, Desarrollo Urbano, Desarrollo Industria Form D filed, with proof of service. [97-9610] Form D deadline satisfied. (cv75)
12/31/97	Copy of district court order, dated December 12, 1997. (cv75)
1/5/98	Proposed for argument the week of 2/17/98. (ca93)
1/5/98	Notice of Appeal Acknowledgment Letter from Andrew J. Wertheim for Appellees The Varde Fund IV, the Varde Fund III-, The Varde Fund III-, The Varde Fund II-B, The Varde Fund II-A, The Varde Fund, L.P., Avalon Total Return, Elliot Associates, received. (cv75)

Date	PROCEEDINGS
1/7/98	Notice of Appeal Acknowledgment Letter from Richard A. Mescon for Appellant Desarrollo Industria, Appellant Desarrollo Urbano, Appellant Obras Y Proyectos, Appellant Desarrollo De, Appellant Grupo Mexicano De received. (cv76)
1/8/98	Notice of Appeal Acknowledgment Letter from Dale C. Christensen for Appellees Alliance Global, Alliance World Dolla [sic], Alliance Bond Fund received. (cv75)
1/8/98	Appellee Elliot Associates, motion for admission pro hac vice of: Andrew J. Wertheim for purpose of arguing the above-captioned appeal. FILED (w/pfs). [1106590-1] (cv75)
1/8/98	Appellants Grupo Mexicano De, Desarrollo De, Obras Y Proyectos, Desarrollo Urbano, Desarrollo Industria brief FILED with proof of service. (cv75)
1/8/98	Appellants Grupo Mexicano De, Desarrollo De, Obras Y Proyectos, Desarrollo Urbano, Desarrollo Industria joint appendix filed w/pfs. Number of volumes: one. (cv75)
1/8/98	Notice of Appeal Acknowledgment Letter from Andrew J. Wertheim for Appellees The Varde Fund IV, The Varde Fund III-, The Varde Fund III-, The Varde Fund II-B, The Varde Fund II-A, The Varde Fund, L.P., Avalon Total Return, Elliot Associates, received. (cv75)
1/8/98	Appellee Elliot Associates, Appellee Avalon Total Return, Appellee The Varde Fund, L.P., Appellee The Varde Fund II-A, Appellee The Varde Fund II-B, Appellee The Varde Fund III-, Appellee The Varde Fund III-, Appellee The Varde Fund IV disclosure letter pursuant to FRAP Rule 26.1 RECEIVED. (cc:CAL) (cv72)

Date	PROCEEDINGS
1/8/98	Appellants Grupo Mexicano De, Desarrollo De, Obras Y Proyectos, Desarrollo Urbano, and Desarrollo Industria sealed joint appendix filed w/pfs. Number of volumes: one. (cv75)
1/9/98	Copy of district court order, (Order to Show Cause for a Preliminary Injunction and Temporary Restraining Order), dated December 12, 1998. (cv75)
1/16/98	Order FILED GRANTING motion for admission pro hac vice [1106590-1] by Appellee Elliot Associates, endorsed on motion form dated 1/8/98. (cv75)
1/23/98	Appellees Alliance Bond Fund, Alliance World Dolla [sic], Alliance Global, Elliot Associates, Avalon Total Return, The Varde Fund, L.P., The Varde Fund II-A, The Varde Fund II-B, The Varde Fund III-, The Varde Fund III-, The Varde Fund IV brief filed with proof of service. (cv75)
1/27/98	Set for argument on 2/18/98. [97-9610] (ca93)
1/27/98	Record on appeal index in lieu of record filed. (cv75)
1/29/98	Appellants Grupo Mexicano De, Desarrollo De, Obras Y Proyectos, Desarrollo Urbano, Desarrollo Industria reply brief filed with proof of service. Satisfy appellant's reply brief due. (cv75)
1/30/98	Appellants Grupo Mexicano De, Desarrollo De, Obras Y Proyectos, Desarrollo Urbano, and Desarrollo Industria defective Reply Brief filed. Notice sent to party to correct by 2/9/98. The font is proportional. (cv75)
2/4/98	Appellants Grupo Mexicano De, Desarrollo De, Obras Y Proyectos, Desarrollo Urbano, and Desarrollo Industria defective cured. Satisfy defective document response due. (cv75)

Date	PROCEEDINGS
2/12/98	Appellees Alliance Bond Fund, Alliance World Dolla [sic], Alliance Global, Elliot Associates, Avalon Total Return, The Varde Fund, L.P., The Varde Fund II-A, The Varde Fund II-B, The Varde Fund III-, The Varde Fund III-, and The Varde Fund IV motion to adjourn oral argument FILED (w/pfs). [1127046-1] (cv75)
2/17/98	Order FILED GRANTING motion to adjourn oral argument [1127046-1] by Appellee Alliance Bond Fund, Alliance World Dolla [sic], Alliance Global, Elliot Associates, Avalon Total Return, The Varde Fund, L.P., The Varde Fund II-A, The Varde Fund II-B, The Varde Fund III-, The Varde Fund III-, The Varde Fund IV, endorsed on motion form dated 2/12/98. (ca93)
2/17/98	Set for argument on 2/20/98. [97-9610] (ca93)
2/20/98	Case heard before MCLAUGHLIN, LEVAL, C.JJ., POLLACK D.J. (TAPE: #157) (ca95)
4/20/98	Attorney Andrew J. Wertheim, Dale C. Christensen affidavit Appellees' Suggestion of Mootness filed with proof of service. (cv75)
4/23/98	Attorney Richard A. Mescon affidavit opposing appellee's suggestion of mootness filed with proof of service. (cv75)
4/23/98	SEALED Document(s): Exhibits A & B FILED. To Defendant-Appellants' Opposition to Plaintiffs-Appellees' Suggestion of Mootness (cv75)
4/23/98	Copy of district court order, (Order to show cause for a preliminary injunction and temporary restraining order) dated December 12, 1997 endorsed by Hon. Martin, USDJ. dated (cv75)
5/1/98	Order filed stating: So much of the District Court's Order and Judgment as requires Defendants to irrevocably assign or transfer certain notes and receivables to Plaintiffs within ten business

Date	PROCEEDINGS
	days is stayed pending appeal. The rest of the Order and Judgment, including the entry of permanent injunction, is unaffected by this Order and remains effective. (JMCL, PNL, C.J., POLLACK, D.J.) (cv70)
5/1/98	Notice to counsel of Order dated 5/1/98. (cv70)
5/1/98	Certified copy of the order, dated 5/1/98 issued to the district court. (cv70)
5/6/98	Judgment of the district court is AFFIRMED by published signed opinion filed. (JMcL) [97-9510] (cv75)
5/6/98	Judgment filed. (cv75)
5/6/98	Notice (Copy of opinion and judgment) to counsel (cv75)
5/12/98	Certified copy of order receipt returned from the district court. (cv75)
5/21/98	Note: The OPINION PRICE is $4.00 (rek)
5/27/98	Judgment MANDATE ISSUED. (cv75)
5/27/98	Notice (Judgment Mandate Issued) to counsel (cv75)
7/27/98	Errata sheet re: page: 3112, line: 13, delete: transferee, insert; transferor filed. (cv75)
8/11/98	Notice of filing petition for writ of certiorari for Appellants Grupo Mexicano De, Desarrollo De, Obras Y Proyectos, Desarrollo Urbano, Desarrollo Industria dated 8/6/98 filed. Supreme Ct. #: 98-231. (cv75)
12/3/98	Letter dated 11/30/98 from the Supreme Court advising of order GRANTING petition for writ of certiorari [1235207-1] by Appellant Grupo Mexicano De, Desarrollo De, Obras Y Proyectos, Desarollo Urbano, Desarrollo Industria, endorsed on motion form dated 8/11/98, filed. (Supreme Court # 98-231) (cv79)

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

Case Number: 97CIV.9165

ALLIANCE BOND FUND, INC., ALLIANCE WORLD DOLLAR GOVERNMENT FUND II, INC., ALLIANCE GLOBAL DOLLAR GOVERNMENT FUND, INC., ELLIOT ASSOCIATES, L.P., AVALON TOTAL RETURN FUND, L.P., THE VARDE FUND L.P., THE VARDE FUND II-A, L.P., THE VARDE FUND II-B, L.P., THE VARDE FUND III-A, L.P., THE VARDE FUND III-B, L.P., and THE VARDE FUND IV, L.P.

Plaintiffs,

-against-

GRUPO MEXICANO DE DESARROLLO, S.A., DESARROLLO DE INFRAESTRUCTURE, S.A., DE C.V., OBRAS Y PROYECTOS, S.A. DE C.V., DESARROLLOS URBANO INTEGRAL, S.A. DE C.V., and DESARROLLO INDUSTRIAL LATINOAMERICANO, S.A. DE C.V.

Defendants.

SUMMONS IN A CIVIL ACTION

TO: Authorized Agent for Defendants:

CT Corporation System
1633 Broadway
New York, New York 10019

YOU ARE HEREBY SUMMONED and required to file with the Clerk of this Court and serve upon plaintiff's attorney:

For Plaintiffs 4-10:

Andrew J. Wertheim
Duncan N. Darrow
Orrick, Herrington & Sutcliffe LLP
666 Fifth Avenue
New York, New York 10103-0001
(212) 506-5000

For Plaintiffs 1-3:

Dale C. Christensen, Jr.
Seward & Kissel
One Battery Park Plaza
New York, New York 10004
(212) 574-1200

an answer to the complaint which is herewith served upon you, within 20 days after service of this summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint.

/s/ James M. Parkinson
Clerk

/s/ [Illegible]
By Deputy Clerk

Date

[Return of Service Omitted]

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

[Caption Omitted]

COMPLAINT

Plaintiffs Alliance Bond Fund, Inc., Alliance World Dollar Government Fund II, Inc., Alliance Global Dollar Government Fund., Inc., Elliot Associates, L.P., Avalon Total Return Fund, L.P., The Varde Fund, L.P., The Varde Fund II-A, L.P., The Varde Fund II-B, L.P., The Varde Fund III-A, L.P., The Varde Fund III-B, L.P., and The Varde Fund IV-A, L.P., by and through their respective undersigned attorneys, allege:

1. Plaintiffs are the beneficial owners of approximately $75.8 million of 8¼% Guaranteed Notes Due 2001 issued on February 17, 1994 (the "Notes") by defendant Grupo Mexicano de Desarrollo, S.A. ("GMD" or the "Issuer") and guaranteed by defendants Desarrollo de Infraestructura, S.A. de C.V., Obras y Proyectos, S.A. de C.V., Desarrollo Urbano Integral, S.A. de C.V., and Desarrollo Industrial Latinoamericano, S.A. de C.V. (collectively, the "Guarantors").

2. Plaintiffs bring this action to recover approximately the $80.9 million together with interest currently due and owing to them as a result of defendants' default under the Notes. Plaintiffs also bring this action to preliminarily enjoin and restrain defendants from frustrating any judgment this Court may award plaintiffs. Such an injunction is necessary because, on information and belief, defendants either are insolvent or at risk of insolvency, and are dissipating or are about to dissipate their only substantial liquid asset.

PARTIES

Plaintiffs

3. Each of Alliance Bond Fund, Inc., Alliance World Dollar Government Fund II, Inc., and Alliance Global Dollar Government Fund, Inc., is a Maryland corporation with its principal place of business in New York, New York.

4. Elliot Associates, L.P., is a Delaware limited partnership. Elliot Associates, L.P., has two general partners: Mr. Paul Singer, a citizen of New York, and Braxton Associates, L.P., a Delaware limited partnership. Each of the limited partners of Elliot Associates, L.P., is a United States citizen.

5. Avalon Total Return Fund, L.P., is a California limited partnership. Avalon Total Return Fund, L.P., has one general partner, Imperial Asset Management, L.L.C., which is a Delaware limited liability company with its principal place of business in Beverly Hills, California. Each of the limited partners of Avalon Total Return Fund, L.P., is a United States citizen.

6. The Varde Fund, L.P., The Varde Fund II-A, L.P., The Varde Fund II-B, L.P., The Varde Fund III-A, L.P., The Varde Fund III-B, L.P., The Varde Fund IV-A, L.P. (collectively, the "Varde Funds") are each Delaware limited partnerships. The general partners of each of the Varde Funds is Varde Partners, L.P., which is a Delaware limited partnership. Each of the limited partners of the Varde Funds is a United States citizen.

Defendants

7. GMD is a Mexican corporation with its principal place of business at Carretera Mexico-Toluca 4000, Cuajimalpa, D.F. 05000, Mexico. GMD is a holding company that through its various subsidiaries and joint ventures engages in the construction business. Ranked on the basis

of annual revenues, GMD is the third largest construction company in Mexico.

8. Desarrollo de Infraestructura, S.A. de C.V., Obras y Proyectos, S.A. de C.V., Desarrollo Urbano Integral, S.A. de C.V., and Desarrollo Industrial Latinoamericano, S.A. de C.V., are Mexican corporations with their principal places of business at the same address as GMD in Mexico, and are GMD's principal construction subsidiaries.

JURISDICTION

9. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1332(a)(2) because the amount in controversy exceeds $75,000 and this action is between citizens of a State and citizens or subjects of a foreign state.

10. Each of the defendants has expressly consented to personal jurisdiction and venue in this district for any legal action, suit or proceeding by the plaintiffs arising out of or based upon the Notes or the guarantee thereof (the "Guarantee").

FACTS

The Notes and Defendants' Default

11. GMD issued the Notes on February 17, 1994 in the principal amount of $250 million. The Notes are a corporate obligation of GMD, the terms and conditions of which are contained in a note instrument, and rank *pari passu* with all other present or future unsecured and unsubordinated debt of GMD.

12. The Notes are not registered under the Securities Act of 1933, and were offered and sold to investors, including plaintiffs, in a so-called "Eurobond offering" pursuant to exceptions from the registration requirements of the federal securities laws.

13. Plaintiffs are institutional investors and, in the aggregate, beneficially own approximately $75.8 million (principal amount) of the Notes.

14. The Notes bear interest at an annual rate of 8¼%, payable semi-annually in arrears in U.S. dollars on February 17 and August 17 of each year.

15. The Issuer defaulted on the August 17, 1997 interest payment of approximately $10.4 million, including about $5.1 million due plaintiffs.

16. The Notes are unconditionally and irrevocably guaranteed as to payment of principal and interest by the Guarantors pursuant to a guarantee instrument.

17. Despite this "unconditional and irrevocable" guarantee, the Guarantors have not paid the interest due on August 17, 1997.

18. On December 11, 1997, each plaintiff duly caused the acceleration of the principal amount of the Notes it beneficially owns.

19. As a result, defendants, jointly and severally, are currently indebted to plaintiffs in the amount of some $80.9 milion, representing some $75.8 million in principal plus about $5.1 million in interest through the date of this Complaint.

20. All conditions precedent, if any, to the maintenance of this action and the granting of the monetary relief requested have occurred, have been waived by defendants or have otherwise been satisfied.

GMD's Precarious Financial Condition

21. In addition to the Notes, as of August 27, 1997, GMD had in excess of $450 million of other creditor claims with the other major creditor constituencies consisting of the following (collectively as the "Mexican Creditors"):

- The Mexican Government for back taxes due by GMD;

- Numerous Mexican bank lenders, most of whom have transferred their defaulted bank debt to a special purpose trust administered under the aegis of the Mexican Central Bank and known by the acronym "Fobaproa;"
- Certain other Mexican financial institutions;
- Trade creditors, most of whom have invoices to GMD substantially in arrears; and
- Terminated employees who are owed severance packages.

22. During the past few years one of the principal activities of GMD (and two other major Mexican construction companies) has been the construction of a vast toll road system throughout Mexico.

23. Much of the Mexican toll road system has not been financially successful. Toll road traffic and revenue is far below originally projected levels. Lenders that financed construction of the toll roads have billions of dollars of debt in default and GMD, along with the other two major Mexican construction companies, have unpaid invoices (the "Receivables") related to their work in building the toll roads. In total, these unpaid Receivables are several hundred million dollars.

24. In an effort to address these systemic problems, the Mexican Government's Secretariat of Communications and Transportation (the "SCT"), by special decree dated August 27, 1997 (the "SCT Decree"), announced a rescue plan for 23 of the country's most financially troubled toll roads (the "Toll Road Restructuring Plan").

25. All of the toll roads encompassed by the Toll Road Restructuring Plan were owned and operated by special purpose entities known as "concessionaires." The dominant stockholder, in the case of most of these concessionaires, was GMD or one of the other two major Mexican construction companies. The principal indebted-

ness of the concessionaires was project finance loans provided, on a road-by-road basis, by virtually every Mexican bank. This concessionaire bank debt represents a multi-billion dollar liability.

26. The cornerstone of the Toll Road Restructuring Plan is the commitment by the Mexican Government to guarantee billions of dollars of rights or notes issued or to be issued by a special purpose trust of the Mexican Government (the "Government Notes"). Most of the Government Notes will be used to pay back the concessionaire bank debt, in full, cancelling that indebtedness. The remainder of the Government Notes are to be paid or distributed to, among others, GMD (or its designees), following an audit of the Receivables that remain unpaid to defendants by the concessionaires. As a result of these measures, the Mexican Government will, in effect, become the new owner and operator of all the toll roads encompassed in the Toll Road Restructuring Plan.

27. According to GMD's press release dated October 28, 1997, reporting its results for third quarter ended September 30, 1997, GMD estimates that it will receive at least $309 million of Government Notes for the GMD Receivables.

28. The Government Note payment to GMD is imminent and could occur as early as December 15, 1997.

29. According to the report of GMD's independent auditor contained in GMD's 1997 Annual Report on Form 20-F, filed on June 30, 1997 with the United States Securities and Exchange Commission, GMD's current liabilities exceeded its current assets as of December 31, 1996 and GMD expressed its opinion that "[t]hese factors, along with the difficulty of obtaining additional financing, create substantial doubt as to whether the Company will be able to continue as a going concern."

30. Reuters, in a story dated August 26, 1997, reported that GMD shareholders' equity was a negative

$167 million after writing off some $629 million in toll road investments.

31. According to GMD's October 28, 1997 press release, for the first nine months of 1997 (based upon Mexican Generally Accepted Accounting Principles), GMD reported revenues of approximately $119 million and a net loss of approximately $802 million. It also reported a $653 million write-off of its toll road asset, and a negative net worth of approximately $214 million.

32. Given GMD's continuing losses from operations, its massive amounts of defaulted debt, its enormous negative net worth, its questionable ability to continue as a going concern, and its inability, as evidence by the default on the Notes, to pays its debts as they come due, GMD is at risk of insolvency, if not insolvent already.

33. In a GMD liquidation scenario, the single most significant liquid asset of GMD would be the Government Notes.

Actions by GMD to Dissipate the Government Notes Asset

34. The Notes are *pari passu* with all other unsecured and unsubordinated GMD debt and the Note instrument prohibits GMD from incurring any secured debt without the Notes also becoming equally and ratably secured, with certain exceptions not relevant here.

35. Despite the fact that the Notes are *pari passu* with the vast majority of GMD's debt, GMD has stated that it plans to use the Government Notes to satisfy its Mexican Creditors to the exclusion of plaintiffs and other beneficial owners of the Notes.

36. Moreover, according to GMD, it already is making formal legal commitments to irrevocably allocate large blocks of the Government Notes to creditor groups other than the beneficial owners of the Notes, *before* the Government Notes have even been issued. For example, according to GMD's October 28, 1997 press release, GMD has

placed various of its Receivables into a form of "irrevocable trust" for other creditors with the intent that those specific Receivables will be exchanged for Government Notes once the Government Notes are issued.

Irreparable Harm to Plaintiffs Unless Defendants' Dissipation of the Government Notes is Enjoined

37. Any distribution of the Government Notes asset to favored Mexican creditors would frustrate any judgment plaintiffs obtain in this action and seek to enforce because GMD is insolvent, or at risk of insolvency.

38. Consequently, plaintiffs would be irreparably harmed and without an adequate remedy at law, unless this Court preliminarily enjoins and restrains defendants from dissipating the Government Notes asset, because GMD's actions in dissipating the Government Notes would make any judgment for breach of contract rendered in plaintiffs' favor uncollectible.

COUNT I
BREACH OF CONTRACT

39. Paragraphs 1 through 38 are realleged and incorporated herein by reference.

40. Defendants have breached their agreements under the Notes and the Guarantee by failing to pay plaintiffs the approximately $75.8 million of principal plus interest currently due and owing.

41. As a direct and proximate result of defendants' breach of the Notes and Guarantee, plaintiffs have suffered damages, including without limitation the approximate $80.9 million currently due and owing under the Notes and Guarantee, plus attorneys' fees.

COUNT II
PRELIMINARY INJUNCTIVE RELIEF

42. Paragraphs 1 through 41 are realleged and incorporated herein by reference.

43. Plaintiffs are likely to succeed on the merits of their claim for breach of contract arising out of defendants' default on the Notes and the Guarantee.

44. Alternatively, plaintiffs have shown sufficient serious questions going to the merits of such claim to make them a fair ground for litigation and the balance of hardships tips decidedly toward plaintiffs.

45. Unless enjoined and restrained from dissipating the Government Notes asset, defendants will frustrate any judgment plaintiffs obtain in this action and thus irreparably harm plaintiffs.

46. Plaintiffs have no adequate remedy at law.

PRAYER FOR RELIEF

WHEREFORE, plaintiffs respectfully request that this Court:

A. Enter an order, pursuant to Federal Rule Civil Procedure 65, preliminarily enjoining and restraining defendants, their agents, officers, servants, employees, affiliates, attorneys and other representatives, and all persons in active concert or participation with them, from dissipating, disbursing, transferring, conveying, encumbering or otherwise disposing of or affecting any defendant's right or title to, or other interest in, or right to receive or retain the Government Notes asset pending final determination of this action, and requiring defendants to deposit the Government Notes into an appropriate trust established under Mexican Law and approved by the Court;

B. Enter a final judgment against defendants for all damages, attorneys' fees, interest and costs; and

C. Grant such further and other relief as this Court deems just and proper.

Dated: New York, New York
December 12, 1997

ORRICK, HERRINGTON & SUTCLIFFE LLP

By: /s/ Andrew J. Wertheim
ANDREW J. WERTHEIM (AW-1554)
DUNCAN N. DARROW
666 Fifth Avenue
New York, New York 10103
(212) 506-5062
Attorneys for Plaintiffs Elliot Associates, L.P., Avalon Total Return Fund, L.P., The Varde Fund, L.P., The Varde Fund II-A, L.P., The Varde Fund II-B, L.P., The Varde Fund III-A, L.P., The Varde Fund III-B, L.P., and The Varde Fund IV-A, L.P.

-and-

SEWARD & KISSEL

By: /s/ Dale C. Christensen, Jr.
Dale C. Christensen, Jr. (DC-4441)
One Battery Park Plaza
New York, New York 10004
(212) 574-1589
Attorneys for Plaintiffs
Alliance Bond Fund, Inc., Alliance World Dollar Government Fund II, Inc. and Alliance Global Dollar Government Fund, Inc.

JUDGE [illegible]

JS 44(CS/SDNY
REV. 3/94

CIVIL COVER SHEET

The JS-44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for use of the Clerk of Court for the purpose of initiating the civil docket sheet.

PLAINTIFFS	DEFENDANTS
ALLIANCE BOND FUND, INC., et al.	GRUPO MEXICANO de DESARROLLO, S.A., et al
SEE ATTACHED	SEE ATTACHED
ATTORNEYS (FIRM NAME, ADDRESS, AND TELEPHONE NUMBER)	COUNTY OF RESIDENCE
SEE ATTACHED	

97 CIV. 9165

CAUSE OF ACTION (CITE THE U.S. CIVIL STATUTE UNDER WHICH YOU ARE FILING AND WRITE A BRIEF STATEMENT OF CAUSE)

BREACH OF CONTRACT

DEC 12 1997

Has this or a similar case been previously filed in SDNY at any time? No ☒ Yes ☐ Judge Previously Assigned _____

If yes, was this case Vol. ☐ Invol. ☐ Dismissed, No ☐ Yes ☐. If yes, give date _____ & Case No. _____

(PLACE AN [x] IN ONE BOX ONLY)

NATURE OF SUIT

CONTRACT	TORTS		FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
	PERSONAL INJURY	PERSONAL INJURY			
[ ] 110 INSURANCE	[ ] 310 AIRPLANE	[ ] 362 PERSONAL INJURY-MED MALPRACTICE	[ ] 610 AGRICULTURE	[ ] 422 APPEAL 28 USC 158	[ ] 400 STATE REAPPORTIONMENT
[ ] 120 MARINE	[ ] 315 AIRPLANE PRODUCT LIABILITY	[ ] 365 PERSONAL INJURY PRODUCT LIABILITY	[ ] 620 FOOD & DRUG	[ ] 423 WITHDRAWAL 28 USC 157	[ ] 410 ANTITRUST
[ ] 130 MILLER ACT	[ ] 320 ASSAULT, LIBEL & SLANDER	[ ] 368 ASBESTOS PERSONAL INJURY PRODUCT LIABILITY	[ ] 625 DRUG RELATED SEIZURE OF PROPERTY 21 USC 881		[ ] 430 BANKS & BANKING
[ ] 140 NEGOTIABLE INSTRUMENT	[ ] 330 FEDERAL EMPLOYERS' LIABILITY		[ ] 630 LIQUOR LAWS	PROPERTY RIGHTS	[ ] 450 COMMERCE/ICC RATES/ETC.
[ ] 150 RECOVERY OF OVERPAYMENT & ENFORCEMENT OF JUDGMENT	[ ] 340 MARINE	PERSONAL PROPERTY	[ ] 640 R.R. & TRUCK	[ ] 820 COPYRIGHTS	[ ] 460 DEPORTATION
[ ] 151 MEDICARE ACT	[ ] 345 MARINE PRODUCT LIABILITY	[ ] 370 OTHER FRAUD	[ ] 650 AIRLINE REGS	[ ] 830 PATENT	[ ] 470 RACKETEER INFLUENCED & CORRUPT ORGANIZATION ACT (RICO)
[ ] 152 RECOVERY OF DEFAULTED STUDENT LOANS (EXCL VETERANS)	[ ] 350 MOTOR VEHICLE	[ ] 371 TRUTH IN LENDING	[ ] 660 OCCUPATIONAL SAFETY/HEALTH	[ ] 840 TRADEMARK	[ ] 810 SELECTIVE SERVICE
[ ] 153 RECOVERY OF OVERPAYMENT OF VETERAN'S BENEFITS	[ ] 355 MOTOR VEHICLE PRODUCT LIABILITY	[ ] 380 OTHER PERSONAL PROPERTY DAMAGE	[ ] 690 OTHER	SOCIAL SECURITY	[ ] 850 SECURITIES/ COMMODITIES/ EXCHANGE
[ ] 160 STOCKHOLDERS' SUITS	[ ] 360 OTHER PERSONAL INJURY	[ ] 385 PROPERTY DAMAGE PRODUCT LIABILITY	LABOR	[ ] 861 HIA(1395ff)	[ ] 875 CUSTOMER CHALLENGE 12 USC 3410
[X] 190 OTHER CONTRACT			[ ] 710 FAIR LABOR STANDARDS ACT	[ ] 862 BLACK LUNG(923)	[ ] 891 AGRICULTURE ACTS
[ ] 195 CONTRACT PRODUCT LIABILITY			[ ] 720 LABOR/MGMT. RELATIONS	[ ] 863 DIWC/DIWW(405(g)	[ ] 892 ECONOMIC STABILIZATION ACT
			[ ] 730 LABOR/MGMT. REPORTING & DISCLOSURE ACT	[ ] 864 SSID TITLE XVI	[ ] 893 ENVIRONMENTAL MATTERS
REAL PROPERTY	ACTIONS UNDER STATUTES		[ ] 740 RAILWAY LABOR ACT	[ ] 865 RSI(405(g)	[ ] 894 ENERGY ALLOCATION ACT
[ ] 210 LAND CONDEMNATION	CIVIL RIGHTS	PRISONER PETITIONS	[ ] 790 OTHER LABOR LITIGATION	FEDERAL TAX SUITS	[ ] 895 FREEDOM OF INFORMATION ACT
[ ] 220 FORECLOSURE	[ ] 441 VOTING	[ ] 510 MOTIONS TO VACATE SENTENCE 28 USC 2255	[ ] 791 EMPL. RET. INC. SECURITY ACT	[ ] 870 TAXES	[ ] 900 APPEAL OF FEE DETERMINATION UNDER EQUAL ACCESS TO JUSTICE
[ ] 230 RENT LEASE & EJECTMENT	[ ] 442 EMPLOYMENT	[ ] 530 HABEAS CORPUS		[ ] 871 IRS-THIRD PARTY 26 USC 7609	[ ] 950 CONSTITUTIONALITY OF STATE STATUTES
[ ] 240 TORTS TO LAND	[ ] 443 HOUSING/ ACCOMMODATIONS	[ ] 535 DEATH PENALTY			[ ] 890 OTHER STATUTORY ACTIONS
[ ] 245 TORT PRODUCT LIABILITY	[ ] 444 WELFARE	[ ] 540 MANDAMUS & OTHER			
[ ] 290 ALL OTHER REAL PROPERTY	[ ] 440 OTHER CIVIL RIGHTS	[ ] 550 CIVIL RIGHTS			

Check IF demanded in complaint

CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMAND $_____ OTHER_____

Check YES only if demanded in complaint

JURY DEMAND: ☐ YES ☒ NO

DO YOU CLAIM THIS CASE IS RELATED TO A CIVIL CASE NOW PENDING IN S.D.N.Y. IF SO, STATE:

JUDGE_____ DOCKET NUMBER_____

NOTE: Please submit at the time of filing an explanation of why cases are deemed related.

BEST AVAILABLE COPY

(PLACE AN x IN ONE BOX ONLY) ORIGIN

☒1 Original Proceeding ☐2 Removed from State Court ☐3 Remanded from Appellate Court ☐4 Reinstated or Reopened ☐5 Transferred From (Specify Dist.) ☐6 Multidistrict Litigation ☐7 Appeal to Dist. Judge from Mag. Judge Judgment

(PLACE AN x IN ONE BOX ONLY) BASIS OF JURISDICTION

☐1 U.S. PLAINTIFF ☐2 U.S. DEFENDANT ☐3 FEDERAL QUESTION (U.S. NOT A PARTY) ☒4 DIVERSITY

28 USC sec. 1332(a)(2)

IF DIVERSITY, INDICATE CITIZENSHIP BELOW. (28 USC 1332, 1441)

CITIZENSHIP OF PRINCIPAL PARTIES (FOR DIVERSITY CASES ONLY)

(Place an [X] in one box for Plaintiff and one box for Defendant)

SEE ATTACHED

	PTF	DEF		PTF	DEF		PTF	DEF
CITIZEN OF THIS STATE	[ ]1	[ ]1	CITIZEN OR SUBJECT OF A FOREIGN COUNTRY	[ ]3	☒3	INCORPORATED and PRINCIPAL PLACE OF BUSINESS IN ANOTHER STATE	[ ]5	[ ]5
CITIZEN OF ANOTHER STATE	[ ]2	[ ]2	INCORPORATED or PRINCIPAL PLACE OF BUSINESS IN THIS STATE	☒4	[ ]4	FOREIGN NATION	[ ]6	[ ]6

PLAINTIFF(S) ADDRESS(ES) AND COUNTY(IES) (Calendar Rule 4(A))

SEE ATTACHED

DEFENDANT(S) ADDRESS(ES) AND COUNTY(IES) (Calendar Rule 4(A))

SEE ATTACHED

DEFENDANT(S) ADDRESS UNKNOWN

REPRESENTATION IS HEREBY MADE THAT, AT THIS TIME, I HAVE BEEN UNABLE, WITH REASONABLE DILIGENCE, TO ASCERTAIN THE RESIDENCE ADDRESSES OF THE FOLLOWING DEFENDANTS:

Check one: THIS ACTION SHOULD BE CLASSIFIED:

☐Expedited ☒Standard ☐Complex ☐Unknown

Check one: THIS ACTION SHOULD BE ASSIGNED TO: ☐WHITE PLAINS ☒FOLEY SQUARE

(DO NOT check either box if this is a PRISONER PETITION.)

DATE December 12, 1997 SIGNATURE OF ATTORNEY OF RECORD

Signed + Emailed by Dale C. Christensen for Pltf 1-3

Signed by Alexandra Willetts for Pltf 4-15

RECEIPT # of Strook, Harrington-Stutcliffe LLP

ADMITTED TO PRACTICE IN THIS DISTRICT

[ ] NO

[X] YES (DATE ADMITTED Mo. 7 Yr. 85)

Attorney Bar Code # AW-1554 DC-4441

Magistrate Judge is to be designated by the Clerk of the Court.

Magistrate Judge _____ is so Designated.

James M. Parkison, Clerk of Court by _____ Deputy Clerk, DATED _____.

UNITED STATES DISTRICT COURT (NEW YORK SOUTHERN)

ATTACHMENT TO CIVIL COVER SHEET

ADDITIONAL PLAINTIFFS

2. ALLIANCE WORLD DOLLAR GOVERNMENT FUND II, INC.
3. ALLIANCE GLOBAL DOLLAR GOVERNMENT FUND, INC.
4. ELLIOT ASSOCIATES, L.P.
5. AVALON TOTAL RETURN FUND, L.P.
6. THE VARDE FUND, L.P.
7. THE VARDE FUND II-A, L.P.
8. THE VARDE FUND II-B, L.P.
9. THE VARDE FUND III-A, L.P.
10. THE VARDE FUND III-B, L.P.
11. THE VARDE FUND IV-A, L.P.

ADDITIONAL DEFENDANTS

2. DESARROLLO DE INFRAESTRUCTURA, S.A. DE C.V.
3. OBRAS Y PROYECTOS, S.A. DE C.V.
4. DESARROLLO URBANO INTEGRAL, S.A. DE C.V.
5. DESARROLLO INDUSTRIAL LATINOAMERICANO, S.A. DE C.V.

ATTORNEYS FOR PLAINTIFFS

1. For Plaintiffs 4-10
   Andrew J. Wertheim, Esq.
   Duncan N. Darrow, Esq.
   Orrick Herrington & Sutcliffe LLP
   666 Fifth Avenue
   New York, New York 10103-0001
   (212) 506-5062

2. For Plaintiffs 1-3
Dale C. Christensen, Jr., Esq.
Seward & Kissel
One Battery Park Plaza
New York, New York 10004
(212) 574-1589

ATTORNEYS FOR DEFENDANTS

Unknown

CITIZENSHIP OF PRINCIPAL PARTIES

Plaintiffs

Alliance Bond Fund, Inc., Alliance World Dollar Government Fund II, Inc. and Alliance Global Dollar Government Fund, Inc., are incorporated in another state and have their principal place of business in this state.

Elliot Associates, L.P., is a citizen of both this state and another state and has its principal place of business in this state.

Avalon Total Return Fund, L.P., is a citizen of and has its principal place of business in the United States.

The Varde Fund, The Varde Fund II-A, L.P., The Varde Fund II-B, L.P., The Varde Fund III-A, L.P., The Varde Fund III-B, L.P., and The Varde Fund IV-A, L.P., are each citizens of and have their principal places of business in the United States.

Defendants

Grupo Mexicano de Desarrollo, S.A., Desarrollo de Infraestructura, S.A. de C.V., Obras Y Proyectos, S.A. de C.V., Desarrollo Urbano Integral, S.A. de C.V., and Desarrollo Industrial Latinoamericano, S.A. de C.V., are each Mexican corporations with their principal place of business in Mexico.

PLAINTIFFS' ADDRESSES

ALLIANCE BOND FUND, INC.
ALLIANCE WORLD DOLLAR GOVERNMENT FUND II, INC.
ALLIANCE GLOBAL DOLLAR GOVERNMENT FUND, INC.
c/o Alliance Capital Management L.P.
1345 Avenue of the Americas
New York, New York 10105

ELLIOT ASSOCIATES, L.P.
1155 Hillsboro Mile, #507
Hillsboro Beach, Florida 33062

AVALON TOTAL RETURN FUND, L.P.
c/o Imperial Capital, L.P.
150 South Rodeo Drive
Beverly Hills, CA 90212

THE VARDE FUND, L.P.
THE VARDE FUND II-A, L.P.
THE VARDE FUND II-B, L.P.
THE VARDE FUND III-A, L.P.
THE VARDE FUND III-B, L.P.
THE VARDE FUND IV-A, L.P.
c/o Varde Partners, Inc.
3600 West 80th Street
Suite 225
Minneapolis, Minnesota 55435

DEFENDANTS' ADDRESSES

GRUPO MEXICANO DE DESARROLLO, S.A.
DESARROLLO DE INFRAESTRUCTURA, S.A. DE C.V.
OBRAS Y PROYECTOS, S.A. DE C.V.
DESARROLLO URBANO INTEGRAL, S.A. DE C.V.

DESARROLLO INDUSTRIAL LATINOAMERICANO,
S.A. DE C.V.

Carretera Mexico—Toulca 4000
Cuajimalpa, D.F. 05000
Mexico

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

[Caption Omitted]

DECLARATION OF MARIO ROBERTO MARTINEZ GUERRERO IN SUPPORT OF PLAINTIFFS' APPLICATION FOR A TEMPORARY RESTRAINING ORDER AND PRELIMINARY INJUNCTION

MARIO ROBERTO MARTINEZ GUERRERO, pursuant to 28 U.S.C. § 1746, declares:

1. I am an attorney admitted to practice in the Mexican legal system and I have been engaged in private practice for approximately 35 years. I am a litigation partner in the law firm of Martinez, Algaba, Estrella, de Haro y Galvan-Duque ("Martinez, Algaba"), which is located in Mexico City. Martinez, Algaba primarily represents corporate clients in financings, other business transactions and litigations. Martinez, Algaba is one of the larger firms in Mexico, with 31 people on its professional staff. Our firm was established 28 years ago.

2. Martinez, Algaba has been retained as special Mexican counsel to a committee composed of various institutional investors (the "Bondholders' Committee" or the "Committee"), all of whom have substantial holdings in the US $250 million (principal amount) 8¼% Guaranteed Notes Due 2001 (the "Notes") issued by Grupo Mexicano de Desarrollo, S.A. ("GMD") and guaranteed by four of GMD's operating subsidiaries: Desarrollo de Infraestructura, S.A. de C.V., Obras y Proyectos, S.A. de C.V., Desarrollo Urbano Integral, S.A. de C.V., and Desarrollo Industrial Latinoamericano, S.A. de C.V. (collectively, the "Guarantors" or "GMD Subs").

3. I understand that several members of the Committee, as plaintiffs, have commenced an action against GMD and the Guarantors as set forth in the complaint that accompanies this declaration. I further understand that the complaint seeks a money judgment based upon the principal and accrued interest due to the plaintiffs with respect to their Note holdings.

4. In addition, I understand that in connection with the filing of the action, plaintiffs will seek injunctive relief from the Court which would, in substance, restrain GMD and the Guarantors from disposition or dissipation of approximately $309 million of notes (the "Government Notes") that are to be received by GMD, the Guarantors, and/or any company or legal entity in which GMD or the Guarantors may have a participation, directly or indirectly, as shareholders, partners or beneficiaries (the "GMD Beneficiaries") and issued by the United Mexican States or any entity controlled by it (the "Mexican Government").

5. I submit this affidavit in support of the plaintiffs' application for injunctive relief and for the specific purpose of summarizing for the Court the Mexican laws that would relate to an attempt by plaintiffs, in the event they successfully prosecuted the instant complaint to a money judgement (the "US Judgment"), to enforce that US Judgment in Mexico and move to attach the assets of GMD to include the Government Notes that GMD, the Guarantors, and/or the GMD Beneficiaries are to receive.

6. As a general proposition, judgments emanating from foreign courts are entitled to recognition by the Mexican courts and can be enforced within the Mexican legal system if such judgments are properly served in Mexico and otherwise comply with the different requirements included in the applicable provisions of law for enforcement of such judgments.

7. On the other hand, a Mexican Court is unlikely to entertain an action by plaintiffs for the provisional relief sought against defendants in this case.

I declare under penalty of perjury that the foregoing is true and correct. Executed on December 10, 1997, at New York, New York.

/s/ Mario Roberto Martinez Guerrero
MARIO ROBERTO MARTINEZ GUERRERO

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

[Caption Omitted]

AFFIDAVIT OF SERVICE

State of New York, County of New York ss.:

RENEE LEWIS being duly sworn, deposes and says that deponent is not a party to this proceeding, is over 18 years of age and resides at Brooklyn, New York;

That on December 12, 1997 at 5:30 p.m. at 1633 Broadway, New York, New York, deponent served the ORDER TO SHOW CAUSE FOR A PRELIMINARY INJUNCTION AND TEMPORARY RESTRAINING ORDER, CIVIL COVER SHEET AND ATTACHMENT, LOCAL RULES OF JUDGE JOHN S. MARTIN, JR., DISCLOSURE OF INTERESTED PARTIES STATEMENT PIURSAUNNT [sic] TO RULE 1.9, DISCLOSURE OF INTERESTED PARTIES, SUMMONS, COMPLAINT, DECLARATION OF MARIO ROBERTO MARTINEZ GUERRERO IN SUPPORT OF PLAINTIFFS' APPLICATION FOR A TEMPORARY RESTRAINING ORDER AND PRELIMINARY INJUNCTION, PLAINTIFFS' APPLICATION TO FILE CERTAIN DOCUMENTS UNDER SEAL, CONFIDENTIAL DECLARATION OF MICHAEL KRAMER IN SUPPORT OF PLAINTIFFS APPLICATION FOR A TEMPORARY RESTRAINING ORDER AND PRELIMINARY INJUNCTION and MEMORANDUM OF LAW IN SUPPORT OF PLAINTIFFS' APPLICATION FOR A TEMPORARY RESTRAINING ORDER AND PRELIMINARY INJUNCTION on DESARROLLO DE

INFRAESTRUCTURA S.A. DE C.V. c/o CT CORPORATION SYSTEMS defendant therein named, by delivering a true copy thereof to FIDEL HAWKER, who stated he was authorized to accept said service of process.

The person served was a black male, with brown hair, 25-35 years of age, approximately 160-185 lbs., and was approximately 5'9"-6'0" in height.

/s/ Renee Lewis
RENEE LEWIS
License # 825095

[Notary Omitted in Printing]

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

[Caption Omitted]

AFFIDAVIT OF SERVICE

State of New York, County of New York ss.:

RENEE LEWIS being duly sworn, deposes and says that deponent is not a party to this proceeding, is over 18 years of age and resides at Brooklyn, New York;

That on December 12, 1997 at 5:30 p.m. at 1633 Broadway, New York, New York, deponent served the ORDER TO SHOW CAUSE FOR A PRELIMINARY INJUNCTION AND TEMPORARY RESTRAINING ORDER, CIVIL COVER SHEET AND ATTACHMENT, LOCAL RULES OF JUDGE JOHN S. MARTIN, JR., DISCLOSURE OF INTERESTED PARTIES STATEMENT PIURSAUNNT [sic] TO RULE 1.9, DISCLOSURE OF INTERESTED PARTIES, SUMMONS, COMPLAINT, DECLARATION OF MARIO ROBERTO MARTINEZ GUERRERO IN SUPPORT OF PLAINTIFFS' APPLICATION FOR A TEMPORARY RESTRAINING ORDER AND PRELIMINARY INJUNCTION, PLAINTIFFS' APPLICATION TO FILE CERTAIN DOCUMENTS UNDER SEAL, CONFIDENTIAL DECLARATION OF MICHAEL KRAMER IN SUPPORT OF PLAINTIFFS APPLICATION FOR A TEMPORARY RESTRAINING ORDER AND PRELIMINARY INJUNCTION and MEMORANDUM OF LAW IN SUPPORT OF PLAINTIFFS' APPLICATION FOR A TEMPORARY RESTRAINING ORDER AND PRELIMINARY INJUNCTION on DESARROLLO URBANO INTEGRAL, S.A. DE C.V. c/o CT CORPORA-

TION SYSTEMS defendant therein named, by delivering a true copy thereof to FIDEL HAWKER, who stated he was authorized to accept said service of process.

The person served was a black male, with brown hair, 25-35 years of age, approximately 160-185 lbs., and was approximately 5'9"-6'0" in height.

/s/ Renee Lewis
RENEE LEWIS
License # 825095

[Notary Omitted in Printing]

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

[Caption Omitted]

AFFIDAVIT OF SERVICE

State of New York, County of New York ss.:

RENEE LEWIS being duly sworn, deposes and says that deponent is not a party to this proceeding, is over 18 years of age and resides at Brooklyn, New York;

That on December 12, 1997 at 5:30 p.m. at 1633 Broadway, New York, New York, deponent served the ORDER TO SHOW CAUSE FOR A PRELIMINARY INJUNCTION AND TEMPORARY RESTRAINING ORDER, CIVIL COVER SHEET AND ATTACHMENT, LOCAL RULES OF JUDGE JOHN S. MARTIN, JR., DISCLOSURE OF INTERESTED PARTIES STATEMENT PIURSAUNNT [sic] TO RULE 1.9, DISCLOSURE OF INTERESTED PARTIES, SUMMONS, COMPLAINT, DECLARATION OF MARIO ROBERTO MARTINEZ GUERRERO IN SUPPORT OF PLAINTIFFS' APPLICATION FOR A TEMPORARY RESTRAINING ORDER AND PRELIMINARY INJUNCTION, PLAINTIFFS' APPLICATION TO FILE CERTAIN DOCUMENTS UNDER SEAL, CONFIDENTIAL DECLARATION OF MICHAEL KRAMER IN SUPPORT OF PLAINTIFFS APPLICATION FOR A TEMPORARY RESTRAINING ORDER AND PRELIMINARY INJUNCTION and MEMORANDUM OF LAW IN SUPPORT OF PLAINTIFFS' APPLICATION FOR A TEMPORARY RESTRAINING ORDER AND PRELIMINARY INJUNCTION on GRUPO MEXICANO DE DESARROLLO S.A. c/o CT CORPORATION

SYSTEMS defendant therein named, by delivering a true copy thereof to FIDEL HAWKER, who stated he was authorized to accept said service of process.

The person served was a black male, with brown hair, 25-35 years of age, approximately 160-185 lbs., and was approximately 5'9"-6'0" in height.

/s/ Renee Lewis
RENEE LEWIS
License # 825095

[Notary Omitted in Printing]

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

[Caption Omitted]

AFFIDAVIT OF SERVICE

State of New York, County of New York ss.:

RENEE LEWIS being duly sworn, deposes and says that deponent is not a party to this proceeding, is over 18 years of age and resides at Brooklyn, New York;

That on December 12, 1997 at 5:30 p.m. at 1633 Broadway, New York, New York, deponent served the ORDER TO SHOW CAUSE FOR A PRELIMINARY INJUNCTION AND TEMPORARY RESTRAINING ORDER, CIVIL COVER SHEET AND ATTACHMENT, LOCAL RULES OF JUDGE JOHN S. MARTIN, JR., DISCLOSURE OF INTERESTED PARTIES STATEMENT PIURSAUNNT [sic] TO RULE 1.9, DISCLOSURE OF INTERESTED PARTIES, SUMMONS, COMPLAINT, DECLARATION OF MARIO ROBERTO MARTINEZ GUERRERO IN SUPPORT OF PLAINTIFFS' APPLICATION FOR A TEMPORARY RESTRAINING ORDER AND PRELIMINARY INJUNCTION, PLAINTIFFS' APPLICATION TO FILE CERTAIN DOCUMENTS UNDER SEAL, CONFIDENTIAL DECLARATION OF MICHAEL KRAMER IN SUPPORT OF PLAINTIFFS APPLICATION FOR A TEMPORARY RESTRAINING ORDER AND PRELIMINARY INJUNCTION and MEMORANDUM OF LAW IN SUPPORT OF PLAINTIFFS' APPLICATION FOR A TEMPORARY RESTRAINING ORDER AND PRELIMINARY INJUNCTION on OBRAS Y PROYECTOS, S.A. DE C.V. c/o CT CORPORATION SYSTEMS de-

fendant therein named, by delivering a true copy thereof to FIDEL HAWKER, who stated he was authorized to accept said service of process.

The person served was a black male, with brown hair, 25-35 years of age, approximately 160-185 lbs., and was approximately 5'9"-6'0" in height.

/s/ Renee Lewis
RENEE LEWIS
License # 825095

[Notary Omitted in Printing]

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

[Caption Omitted]

AFFIDAVIT OF SERVICE

State of New York, County of New York ss.:

RENEE LEWIS being duly sworn, deposes and says that deponent is not a party to this proceeding, is over 18 years of age and resides at Brooklyn, New York;

That on December 12, 1997 at 5:30 p.m. at 1633 Broadway, New York, New York, deponent served the ORDER TO SHOW CAUSE FOR A PRELIMINARY INJUNCTION AND TEMPORARY RESTRAINING ORDER, CIVIL COVER SHEET AND ATTACHMENT, LOCAL RULES OF JUDGE JOHN S. MARTIN, JR., DISCLOSURE OF INTERESTED PARTIES STATEMENT PIURSAUNNT [sic] TO RULE 1.9, DISCLOSURE OF INTERESTED PARTIES, SUMMONS, COMPLAINT, DECLARATION OF MARIO ROBERTO MARTINEZ GUERRERO IN SUPPORT OF PLAINTIFFS' APPLICATION FOR A TEMPORARY RESTRAINING ORDER AND PRELIMINARY INJUNCTION, PLAINTIFFS' APPLICATION TO FILE CERTAIN DOCUMENTS UNDER SEAL, CONFIDENTIAL DECLARATION OF MICHAEL KRAMER IN SUPPORT OF PLAINTIFFS APPLICATION FOR A TEMPORARY RESTRAINING ORDER AND PRELIMINARY INJUNCTION and MEMORANDUM OF LAW IN SUPPORT OF PLAINTIFFS' APPLICATION FOR A TEMPORARY RESTRAINING ORDER AND PRELIMINARY INJUNCTION on DESARROLLO INDUSTRIAL LATINOAMERICANO, S.A. DE C.V. c/o CT

CORPORATION SYSTEMS defendant therein named, by delivering a true copy thereof to FIDEL HAWKER, who stated he was authorized to accept said service of process.

The person served was a black male, with brown hair, 25-35 years of age, approximately 160-185 lbs., and was approximately 5'9"-6'0" in height.

/s/ Renee Lewis
RENEE LEWIS
License # 825095

[Notary Omitted in Printing]

AFFIDAVIT OF SERVICE BY HAND

JOSE MIRANDA, being duly sworn, deposes and says:

I am not a party to the within action, I am over 18 years of age, and reside in Queens County, New York.

On December 12, 1997, I served a copy of the following documents:

1. Order to Show Cause for a Preliminary Injunction and Temporary Restraining Order;
2. Civil cover sheet and attachment;
3. Local Rules of Judge John S. Martin, Jr.;
4. Disclosure of Interested Parties Statement Pursuant to Rule 1.9;
5. Disclosure of Interested Parties;
6. Summons;
7. Complaint;
8. Declaration of Mario Roberto Martinez Guerrero in Support of Plaintiffs' Application for a Temporary Restraining Order and Preliminary Injunction;
9. Plaintiffs' Application to File Certain Documents Under Seal; and
10. Redacted public file copy of Declaration of Michael Kramer in Support of Plaintiffs' Application for a Temporary Restraining Order and Preliminary Injunction

by personally delivering a true copy of the above-listed documents to Mark Stukes at the law offices of:

Skadden, Arps, Meagher & Flom
919 Third Avenue
New York, New York

Mr. Stukes is described to wit, a black male approximately 30-35 years of age, and he is about 5 feet 10 inches tall and weigh about 175 pounds.

/s/ Jose Miranda
JOSE MIRANDA

[Notary Omitted in Printing]

AFFIDAVIT OF SERVICE BY HAND

JOSE MIRANDA, being duly sworn, deposes and says:

I am not a party to the within action, I am over 18 years of age, and reside in Queens County, New York.

On December 15, 1997, I served a copy of the following documents:

1. Order to Show Cause for a Preliminary Injunction and Temporary Restraining Order;
2. Civil cover sheet and attachment;
3. Local Rules of Judge John S. Martin, Jr.;
4. Disclosure of Interested Parties Statement Pursuant to Rule 1.9;
5. Disclosure of Interested Parties;
6. Summons;
7. Complaint;
8. Declaration of Mario Roberto Martinez Guerrero in Support of Plaintiffs' Application for a Temporary Restraining Order and Preliminary Injunction;
9. Plaintiffs' Application to File Certain Documents Under Seal; and
10. Redacted public file copy of Declaration of Michael Kramer in Support of Plaintiffs' Application for a Temporary Restraining Order and Preliminary Injunction

by personally delivering a true copy of the above-listed documents to Eduardo Vidal, Esq. at the law offices of:

Morgan, Lewis & Bockius LLP
101 Park Avenue
New York, New York 10178-0060

Mr. Vidal is described to wit, a white male approximately 40-45 years of age, and he is about 6″1 inches tall and weigh about 160 pounds.

/s/ Jose Miranda
JOSE MIRANDA

[Notary Omitted in Printing]

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

[Caption Omitted]

DECLARATION OF GREG SCHRON IN SUPPORT OF PLAINTIFFS' APPLICATION FOR A PRELIMINARY INJUNCTION

GREG SCHRON, pursuant to 28 U.S.C. § 1746, declares:

1. I am an Associate Director at Bear, Stearns & Co. Inc. the registered holder for plaintiff Avalon Total Return Fund, L.P., ("The Avalon Fund").

2. Attached is the original Notice of Acceleration By Registered Holder ("Notice") that I sent on December 11, 1997, by telecopier, to the seven addresses listed thereon. I caused a report of these transmissions to be generated and a copy of that report is attached hereto.

3. I prepared the Notice in the regular course of the business of Bear, Stearns & Co. Inc., in connection with my business duties as the Associate Director, and I have personal knowledge of the facts reported in the Notice. It is the practice of Bear, Stearns & Co. Inc. to prepare such documents when requested to do so by its customers.

4. I prepared this Notice immediately before it was transmitted to the addressees in order to accelerate those 8¼% Guaranteed Notes issued by Grupo Mexicano de Desarrollo, S.A. ("GMD") held by Bear, Stearns & Co. Inc. for the benefit of The Avalon Fund.

I declare under penalty of perjury that the foregoing is true and correct. Executed on December 17, 1997 at New York, New York.

/s/ Greg Schron
GREG SCHRON

[Exhibit A to Schron Declaration—Notice of Acceleration at page 1 of Joint Lodging Materials]

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

[Caption Omitted]

DECLARATION OF JIM MONAHAN IN SUPPORT OF PLAINTIFFS' APPLICATION FOR A PRELIMINARY INJUNCTION

JIM MONAHAN, pursuant to 28 U.S.C. § 1746, declares:

1. I am a Vice President, Manager at Merrill Lynch Pierce Fenner & Smith, Inc., the registered holder for plaintiff Elliot Associates, L.P. ("Elliot Associates").

2. Attached is the original Notice of Acceleration By Registered Holder ("Notice") that on the instructions of Elliot Associates I caused to be sent on December 11, 1997, by telecopier, to the seven addressees listed thereon. I caused a report of these transmissions to be generated and a copy of that report is also attached hereto.

3. I completed the Notice in the regular course of Merrill Lynch Pierce Fenner & Smith, Inc.'s business, in connection with my business duties as a Vice President, Manager, and I have personal knowledge of the facts reported in the Notice. It is Merrill Lynch Pierce Fenner & Smith, Inc.'s practice to make such documents when requested to do so by its customers.

4. I filled in the information on the Notice immediately before it was transmitted to the addressees in order to accelerate those 8¼% Guaranteed Notes issued by Grupo Mexicano de Desarrollo, S.A. held by Merrill Lynch Pierce Fenner & Smith, Inc. for the benefit of Elliot Associates.

I declare under penalty of perjury that the foregoing is true and correct. Executed on December 17, 1997 at New York, New York.

/s/ Jim Monahan
JIM MONAHAN

[Exhibit A to Monahan Declaration—Notice of Acceleration, with Telecopier Transmissions at page 2 of Joint Lodging Materials]

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

[Caption Omitted]

DECLARATION OF ERIN L. McMANUS IN SUPPORT OF PLAINTIFFS' APPLICATION FOR A PRELIMINARY INJUNCTION

ERIN L. McMANUS, pursuant to 28 U.S.C. § 1746, declares:

1. I am an Account Manager at State Street Bank & Trust Co. ("State Street"), the custodian and registered holder for plaintiff Alliance Bond Fund, Inc. ("Alliance Bond Fund") of $29,200,000.00 in 8¼% Guaranteed Notes issued by Grupo Mexicano de Desarrollo, S.A. ("GMD"). The GMD Notes are held in the Corporate Bond Portfolio of Alliance Bond Fund.

2. Attached is the original Notice of Acceleration By Registered Holder that I sent in the name of the Alliance Corporate Bond Fund, on December 11, 1997, by telecopier, to the seven addressees listed thereon. Also attached are the revised Notices that I sent on December 17, 1997 by telecopier together with reports confirming receipt.

3. I completed the Notices in the regular course of State Street's business, in connection with my business duties as an Account Manager, and I have personal knowledge of the facts reported in the Notices. It is State Street's practice to make such documents when requested to do so by its customers, as the Alliance Bond Fund did in this instance.

4. I filled in the information on these Notices immediately before they were transmitted to the addressees in

order to accelerate those GMD Notes held by State Street for the benefit of Alliance Bond Fund, Inc.

I declare under penalty of perjury that the foregoing is true and correct. Executed on December 17, 1997 at North Quincy, Massachusetts.

/s/ Erin L. McManus
ERIN L. McMANUS

[Exhibit A to McManus Declaration—Revised Notice of Acceleration, with Telecopier Transmissions at page 9 of Joint Lodging Materials]

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

[Caption Omitted]

SUPPLEMENTAL DECLARATION OF MICHAEL KRAMER IN SUPPORT OF PLAINTIFFS' APPLICATION FOR A PRELIMINARY INJUNCTION

MICHAEL KRAMER, pursuant to 28 U.S.C. § 1746, declares:

1. I submit this Supplemental Declaration in support of plaintiffs' application for a preliminary injunction to provide the Court with plaintiffs' calculation of the principal and interest due and owing plaintiffs as of December 12, 1997, the date of the filing of the Complaint in this action. Except for those matters stated on information and belief, I have personal knowledge of the facts set forth herein. The sources of my information and bases of my belief are the documents identified below. Capitalized terms have the same meaning as in my Declaration of December 11, 1997.

2. According to the GMD Note (which is attached to my Declaration of December 11, 1997 as Exhibit B), interest is payable semi-annually in arrears on February 17 and August 17 of each year at a rate of 8¼ percent per year. (Page 108) Such interest is calculated on the basis of a 360-day year of twelve 30-day months. (*Id.*) Moreover, as provided therein, interest at the rate of 8¼ percent is also owed on any overdue installment of interest. (*Id.*)

3. Based on plaintiffs' Notices of Acceleration, plaintiffs are the beneficial owners of $75,006,000 principal

amount of the Notes, or thirty percent of the total principal amount ($250,000,000).

4. As set forth on the annexed Attachment, the unpaid and accrued interest due plaintiffs on this amount is $5,188,054, for a total indebtedness of $80,194,054 through the date of the filing of the Complaint.

I declare under penalty of perjury that the foregoing is true and correct. Executed on December 18, 1997, at New York, New York.

/s/ Michael Kramer
MICHAEL KRAMER

ATTACHMENT

Plaintiff	Principal Amount Owed
Alliance Funds	$54,100,000
Avalon Fund	1,274,000
Elliott Associates, L.P.	2,850,000
Varde Funds	16,782,000
	$75,006,000

Annual Interest Rate—8.25%		
Daily Interest Owed Plaintiffs Under A 360 Day Year	$ 17,189	
August 17, 1997 Interest Payment Owed Plaintiffs	$3,093,998	
Interest Owed Plaintiffs for August 18, 1997 Through December 12, 1997 (117 Days)	$2,011,098	
Interest (@ 8.25%) Owed Plaintiffs On Overdue Interest ($3,093,998) for August 18, 1997 Through December 12, 1997 (117 Days)	$ 82,958	
Total Interest Owed Plaintiffs		$ 5,188,054
Grand Total Principal Plus Interest		$80,194,054

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

[Caption Omitted]

AFFIDAVIT OF DANIEL SALCIDO

State of New York)
) ss.:
County of New York)

DANIEL SALCIDO, being duly sworn, deposes and says:

1. I am a Reorganization Analyst in the Reorganization Department of Goldman, Sachs & Co. ("Goldman Sachs").

2. Goldman Sachs acts as prime broker for The Varde Fund, L.P., The Varde Fund II-A, L.P., The Varde Fund II-B, L.P., The Varde Fund III-A, L.P., The Varde Fund III-B, L.P., and The Varde Fund IV-A, L.P. (hereinafter, "The Varde Funds"). In that capacity, Goldman Sachs holds 8¼% Guaranteed Notes due 2001 of Grupo Mexicano de Desarrollo, S.A. ("GMD") for the account of The Varde Funds.

3. On December 11, 1997, at the request of The Varde Funds, I telecopied Notices of Acceleration (copies of which are attached hereto, including the telecopy confirmations) to the seven entities listed at the top of the Notices.

4. Later on December 11, 1997, I was contacted by Mr. Eduardo Vidal of Morgan, Lewis & Bockius who identified himself as counsel to GMD and requested that I send to him the original Notices. That same day, I caused the original Notices to be delivered to Mr. Vidal

and retained copies for our files in the normal course of our business.

/s/ Daniel Salcido
DANIEL SALCIDO

[Notary Omitted in Printing]

[Exhibit A to Salcido Affidavit—Various Notices of Acceleration, with Telecopier Transmission Forms at page 22 of Joint Lodging Materials]

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

[Caption Omitted]

DECLARATION OF MARK SANDBERG IN SUPPORT OF PLAINTIFFS' APPLICATION FOR A PRELIMINARY INJUNCTION

MARK SANDBERG, pursuant 28 U.S.C. § 1746, declares:

1. I am an Assistant Treasurer at the Bank of New York, the registered holder for plaintiffs Alliance World Dollar Government Fund II, Inc., and Alliance Global Dollar Government Fund, Inc.

2. Attached are the original Notices of Acceleration By Registered Holder ("Notices") that on the instructions of the above funds I sent on December 11, 1997, by telecopier, to the seven addressees listed thereon. Although I did not cause a report of these transmissions to be generated, I confirmed verbally with the addresses that each transmission was successfully completed.

3. I completed the Notices in the regular course of the Bank of New York's business, in connection with my business duties as an Assistant Treasurer. It is the Bank of New York's practice to complete such documents when instructed to do so by its customers.

4. I filled in the information on each of these Notices immediately before each was transmitted to the addressees in order to accelerate those 8¼% Guaranteed Notes issued by Grupo Mexicano de Desarrollo, S.A. held by the Bank of New York for the benefit of Alliance World Dollar Government Fund II, Inc., and Alliance Global Dollar Government Fund, Inc.

I declare under penalty of perjury that the foregoing is true and correct. Executed on December 18, 1997 at New York, New York.

/s/ Mark Sandberg
MARK SANDBERG

[Exhibit A to Sandberg Declaration—Notice of Acceleration at page 40 of Joint Lodging Materials]

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

[Caption Omitted]

ORDER TO SHOW CAUSE FOR A PRELIMINARY INJUNCTION AND TEMPORARY RESTRAINING ORDER

Upon consideration of the Summons and Complaint, the Declaration of Michael Kramer, executed on December 11, 1997 and the exhibits thereto, the Declaration of Mario Roberto Martinez Guerrero, executed on December 10, 1997, and the oral application of plaintiffs' counsel, and any defenses thereto:

I.

IT IS HEREBY ORDERED that defendants show cause before this Court, at Room 152, United States Court House, 500 Pearl Street, New York, New York, on December 19, 1997 at 9:30 o'clock in the a.m. thereof, or as soon thereafter as counsel can be heard, why a preliminary injunction should not be issued herein pursuant to Rule 65 of the Federal Rules of Civil Procedure restraining and enjoining defendants, their agents, officers, servants, employees, affiliates, attorneys and other representatives, and all persons in active concert or participation with them, pending the final determination of this action, from dissipating, disbursing, transferring, conveying, encumbering or otherwise distributing or affecting any defendant's right to, interest in, title to or right to receive or retain, any rights, receivables, notes or any other form of consideration, distributed or to be distributed to defendants or defendants' designees pursuant to the toll road rescue plan established by the Mexican Ministry of Communications and Transportation under a de-

cree dated August 27, 1997 (the "Government Notes") and requiring Defendants to deposit the Government Notes into an appropriate trust established under Mexican Law and approved by the Court.

II.

IT IS HEREBY FURTHER ORDERED that, pending the determination of plaintiffs' application for a preliminary injunction, defendants their agents, officers, servants, employees, affiliates, attorneys and other representatives, and all persons in active concert or participation with them, are temporarily restrained and enjoined from dissipating, disbursing, transferring, conveying, encumbering or otherwise distributing or in any way affecting any defendant's right to, interest in, title to or right to receive or retain any of the Government Notes or proceeds thereof.

III.

IT IS HEREBY FURTHER ORDERED that no bond is necessary since the status quo is being maintained pending a determination of plaintiffs' motion for a preliminary injunction.

IV.

IT IS HEREBY FURTHER ORDERED that service of this Order to Show Cause shall be effective when plaintiffs deliver a copy of this Order to Show Cause, together with a copy of the papers in support thereof, upon local counsel for defendants, Messers. Skadden, Arps, Slate, Meagher & Flom, 919 Third Avenue, New York, NY 10022, or CT Corporation System, 1633 Broadway, New York, NY, defendants' duly appointed agent for service of process, by hand, Federal Express or other overnight delivery service, on or before, December 13, 1997.

V.

IT IS HEREBY FURTHER ORDERED that, pending further order and for good cause shown, plaintiffs' application to file certain documents containing confidential and nonpublic information relating to defendants is hereby granted, and the Clerk of the Court is hereby directed to accept such documents and maintain them under seal.

VI.

IT IS HEREBY FURTHER ORDERED that answering papers, if any, shall be served by hand upon counsel for plaintiffs, and supplied to the Court, no later than 5 o'clock p.m. on December 18, 1997, and reply papers, if any, shall be similarly served and supplied to the Court no later than December 19, 1997.

Dated: New York, New York
December 12, 1997

Issued: 2:00 p.m.

/s/ John S. Martin, Jr.
United States District Judge

The temporary restraining order is continued to December 23, 1997.

So Ordered.

/s/ John S. Martin Jr.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

[Caption Omitted]

TRANSCRIPT OF PROCEEDINGS

December 23, 1997

11:30 a.m.

Before: HON. JOHN S. MARTIN, JR., District Judge

* * * *

[2] (In open court)

MR. CHRISTENSEN: Your Honor, in the process of drafting, yesterday, we submitted a further draft in light of your Honor's comments to us in the last session in court. And this is a much shorter order. And we would like to submit this.

We were, unfortunately, not able to reach agreement on these two versions.

THE COURT: Okay. All right, let me hear from Mr. Mescon with respect to the differences between the two proposed orders.

MR. MESCON: First, your Honor, there are some differences in the proposed findings of facts.

We believe that the proposed findings of fact contained in the defendant's proposed order, assuming the issuance of an injunction is appropriate in this case, are sufficient to support the injunction, and that the findings sought by the plaintiff go beyond what is sufficient to support an injunction.

THE COURT: But they are supported by the papers underlying the application.

MR. MESCON: A number of the proposed findings are disputed by the defendants. I can point out some examples.

THE COURT: Why don't you do that.

[3] MR. MECCON: For example, on page 5, the statement that in light of defendant's financial condition and dissipation of assets, any judgment plaintiffs obtain in the action will be frustrated.

I believe that finding is not necessary.

There are a number of others. Let me turn to another one.

THE COURT: I believe it is supported by the record before me, and I intend to include that in the order.

I read the order, it seems to me they are all supported by the papers. But I wil hear you.

MR. MESCON: Bottom of page 4. GMD stated that it plans to use the government notes to satisfy its Mexican creditors to the exclusion of other holders of the notes.

You will recall the settlement discussions in which the proposed transfer of notes to the Mexican FDIC was to be done with the consent of the defendants. Those—of the plaintiffs, I'm sorry. Those negotiations obviously broke down.

THE COURT: Let me hear from plaintiffs' counsel with respect to that.

MR. WERTHEIM: Your Honor, Andrew Wertheim for the plaintiffs.

We would point to Exhibit J in the record which quotes the company as saying, quote, once we have cleared [4] our domestic debt, the bondholders will be our only outstanding creditors.

This is the defendant's own words in the record. In the Reuters article of August 27, and we also point to the confidential schedule that has been submitted to the Court, which shows the notes being used, all but for 5.5 million for all creditors other than the noteholders.

MR. MESCON: The proposed settlement was in November. The discussions about making the transfer to Probapro with respect to the discussions with the plaintiffs was in November, the press releases cited by plaintiff were in August.

THE COURT: I will leave that finding in the order.

MR. MESCON: The statement that, on page 3, that the plaintiffs have duly accelerated the maturity of the notes beneficially held by them—that is certainly asserted by the plaintiffs. The defendants do not acquiesce in that finding.

THE COURT: They asserted in affidavits it has no—nothing disputing it before me.

MR. MESCON: Then, your Honor, without our acquiescence in the findings—

THE COURT: —you are not acquiescing.

MR. MESCON: I was prepared to acquiesce in the [5] findings, but I won't now.

So, obviously, your Honor will make the findings that he thinks—that your Honor thinks appropriate.

Let me turn to the decretal paragraphs which are more significant.

The differences first relate to certain provisions in our proposed order that make clear some observations that your Honor had made during the argument. Those observations are that the injunction your Honor's proposing to issue only reaches the toll road receipts and receivables and not other assets of the company. I think that was the context of our discussion.

One could argue that that language is surplusage, but I think it helps clarify the intent of the order.

The second is to make clear that at least this order does not purport to reach assignments of toll road notes that were made prior to the entry of the temporary restraining order. It may be that those issues will be before your Honor at a later time, and your Honor may be asked to address those issues. But at least making it clear that this order does not purport to reach those issues.

And, finally, taken literally, the restriction on assigning the toll road notes might be construed as limiting the ability to assign those or transfer those to a trustee in bankruptcy, or equivalent kind of person. And just to [6] make clear, that it was not the Court's intention in

issuing this restraint to prohibit the defendants from voluntarily initiating the solvency proceedings if appropriate.

THE COURT: Let me hear from plaintiffs' counsel with respect to those.

MR. WERTHEIM: Your Honor, the language that they have proposed in the decretal paragraph, we believe is deficient in a number of respects.

At the top of page 4 of their proposed form of order, they have limited the restraint to the defendant's acting by. And then there is—

THE COURT: —excuse me?

MR. WERTHEIM: I am looking at page 4 of their proposed form of order.

THE COURT: Go ahead.

MR. WERTHEIM: They have limited the restraint to the defendants, which are the parties, to only those people acting by their agents. And the orders listed there. Which is contrary to Rule 65(d) which binds the injunction on all the parties, including defendants.

They have also eliminated the language in 65(d) that it is binding on all persons in active concert or participation with them.

We agree with Mr. Mescon that the provisos are superfluous.

[7] The issue of what this company has done prior to the entry of the TRO in encumbering the receivables or transferring government notes will be before this Court. We contend that it is in breach of the agreement. And we don't believe that there is any need for this proviso, or carve-out, in this order.

It is very clear what this order addresses. We have defined in our proposed order what the receivables are, and they relate only to the toll road notes. Nor do we have any insolvency issue before the Court. And the carve-out for any possible insolvency at a time when there is not an issue before this Court, seems to be also superfluous, and we would argue unnecessary in light—

THE COURT: —what's the harm?

MR. WERTHEIM: The harm, your Honor, is the implication that this Court is trying to say something otherwise that there is something in this order that would effect an insolvency. And we don't want an implication to be on the record.

MR. CHRISTENSEN: Your Honor, if I might be heard on this point, for the Alliance Fund.

Our concern with respect to the language after the last proviso is that the legal effect of the Court's order is ultimately going to be implicated by considerations of Mexican law. And whatever the legal effect of that order [8] is is the effect of it. And we are concerned that the defendants may be trying to articulate in the Mexican court some sort of carve-out that this Court's order does not effect prior transactions, which we find to have been violative of our agreement.

THE COURT: Take that out. I am happy to leave the order to stand.

But what's the problem with saying that nothing in this order prohibits them from commencing insolvency proceedings under any applicable law.

MR. CHRISTENSEN: I don't think it is necessary at all.

My concern is that we don't know what the effect of this Court's order is in terms of the assets in question. And we do not feel that this Court has before it a record to determine whether or not insolvency laws of Mexico permit them to assign these receivables to other creditors.

Whatever their rights are in Mexico, are what their rights are, given what this Court will enter in the normal course in a preliminary injunction.

And we are concerned that this language, which we think is gratuitous, may become a source of greater—well later on, as to what your Honor specifically meant, whether your Honor was giving a blessing to file an insolvency proceeding, and so other forth. And we feel it is [9] unnecessary and has more potential to be misconstrued than accurately construed.

MR. WERTHEIM: Your Honor, your last question is what's wrong with the order carving out that has no affect on commencing such a proceeding.

THE COURT: Correct.

MR. WERTHEIM: That's the last few words—

THE COURT: —yes.

MR. WERTHEIM: —for the plaintiffs that I represent, Elliot and Avalon. We would have no objection to that. And I will let Mr. Christensen speak to the Alliance Funds.

MR. CHRISTENSEN: Our concern, your Honor, is what I stated, we feel that it is superfluous.

We are concerned that there may be some implication that this Court is somehow blessing an insolvency proceeding, even though the words here and the language of the decision don't suggest that.

Whatever the defendant's rights are under Mexican law are what they are. And I don't think this Court should be articulating any provisos or carve-outs on that.

And that's why we are concerned about that, and also concerned about anything declaring that prior transactions are unaffected by this order.

The language is pretty clear, it seems to me, [10] that is directed at the things that are happening at the present. And we see no need for that.

We also feel that to get back to the prior transactions, which we feel were violative of the agreement, to suggest that they were somehow sanctioned, is a mistake.

THE COURT: Well, I see no reason for adding a provision with respect to the prior assignments. But I do think it appropriate to make clear that because it has been, I thought, the position throughout that this action has not in any way prejudiced the right of the defendants to commence insolvency proceedings, if that was the best way to deal with their financial situation.

MR. MESCON: There are two other items your Honor hasn't ruled on yet. One is the proviso with regard to other assets. Your Honor has not addressed that. And the other is the point raised by Mr. Wertheim.

Our language says that the defendants acting by their agents, et cetera, are enjoined.

The reason we suggest that language is because only the defendants are subject to the jurisdiction of this Court. The jurisdiction of this Court does not extend in personam to the agents, officers, servants or the employees of the defendants. So the restraint is on the defendants. Of course, the defendants can only act upon their agents, officers, et cetera. And that's why the language was [11] written that way.

THE COURT: I disagree with you, that simply because they are not presently before the Court they are not bound to respect the orders of this Court. So I am not going to adopt that language.

MR. MESCON: And then as to our proposed language, the open question is the question of whether or not the order will expressly state that it does not relate to other than the toll road receipts. And then we, of course, turn to the language in plaintiffs' proposed order.

THE COURT: Let me hear you again with respect to that.

MR. WERTHEIM: Your Honor, we think that the language we've proposed, where this is a defined term, obviates any need to have any carve-out like that, as it is in defendant's order, where the receivables are—receivables are not a defined term. So it seems again, it is superfluous and unnecessary under our form of proposed order.

MR. CHRISTENSEN: And I would just add, on behalf of the Alliance Funds, that this relates to the very argument that we had before.

I believe this order, as we've proposed it, is well defined, deals with these situations. To add this other language, given the history of these particular [12] defendants, and the amount of funds that have been pledged, may just provide encouragement to construe other revenues or assets to the maximum to include some of these things.

And I think we should leave the language in the order to make clear that we are talking about, as we do, the

toll road receivables in the proceeds of the government notes. That's all your Honor is purporting to do. And I think that should be sufficient.

THE COURT: I agree with that. But I do think I want to make it clear that this does not in any way prejudice their right to commence insolvency proceedings.

All right, now, I take it then, there are two provisions—

MR. MESCON: —right, with regard to the one-week notice requirement for relief from the restraints.

Assuming for the moment, and I don't know the answer to this as I stand here before the Court, whether or not the Court will have jurisdiction to alter the injunction after the appeal is taken.

But assuming for the moment that it does retain jurisdiction to modify the injunction, the Court should not—

THE COURT: You are going to appeal? You don't think I got it right?

MR. MESCON: With due respect, we will ask for a [13] second opinion.

THE COURT: Actually you will be asking for three other opinions, second, third and fourth.

MR. MESCON: The Court should have whatever flexibility it needs to direct, by order to show cause, that any such proceeding be on lesser notice or greater notice, depending upon the exigencies of the circumstances that we cannot predict now.

It may be that one week's notice of an effort to alter the restraint will be too short and there is no emergency. It may be that it has to be done overnight. We don't know. The Court should be able to decide that when it gets the argument.

THE COURT: I agree with you.

MR. MESCON: And on the other hand, there has been no showing here that the defendants have done other than treat the Court's temporary restraining order with the utmost respect, and have complied with it. And to require the certification that is set forth in this paragraph is out of the ordinary, unseemly, is not something—is something

that suggests some lack of confidence by the Court in the willingness of the defendants to comply with the terms of the order. And in the end, adds no protections to the plaintiffs that they don't have from the sanction of contempt.

[14] MR. WERTHEIM: Your Honor, starting with the notice. We would, in implementing the instructions we got from your Honor last week, we were trying to achieve the result that we would be consulted first, prior to any application. And as Mr. Darrow pointed out, there are certainly not against our interests.

THE COURT: At that point we were talking in terms of certain disbursements for regular course activity. But I think Mr. Mescon is right, that we don't know what emergency may come up. Obviously you are going to get reasonable notice. I am not going to sign anything without notice to you.

MR. WERTHEIM: Thank you, your Honor.

On the other point, we have asked for a certificate of compliance as a result of your Honor not going ahead with the request for the applicable Mexican trust, we think that in the absence of having some sort of statement under perjury that would form a basis for further proceedings before this Court should there be any violation given the history of what's gone on here and what's in the record.

THE COURT: What does perjury add to my power under the contempt?

MR. WERTHEIM: It may provide the basis to haul an individual in here that you don't have, given only the [15] corporate defendants.

THE COURT: But we just indicated that the contempt order will apply, does apply to people, agents acting in concert, even though they are not served as defendants in the action.

MR. WERTHEIM: That is correct, your Honor, but this provides an additional.

THE COURT: I simply don't see any need for it.

All right, I simply added at the bottom of page 5 of the plaintiffs' proposed order, "It is further ordered that nothing contained herein shall prohibit these defendants from commencing any insolvency proceedings under any applicable law." And I have deleted the last two ordering paragraphs and have signed the order. And my clerk will make copies for you.

Anything further?

MR. WERTHEIM: Your Honor, is there some provision in the order now about reasonable notice?

THE COURT: There is no provision with respect to notice at all.

MR. MESCON: As a matter of form, I would request that your Honor stay injunction pending appeal.

THE COURT: Application is denied. Thank you.

MR. WERTHEIM: Nothing further.

AMWEST SURETY INSURANCE COMPANY

Bond No. 60 81 47

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

[Caption Omitted]

PRELIMINARY INJUNCTION BOND

WHEREAS, by Order of the above entitled Court, Plaintiff is required to file an undertaking in the sum of Fifty Thousand and No'100—($50,000.00) Dollars as a condition for a Preliminary Injunction to be in effect enjoining the above named Defendants from the commission of certain acts as more fully set forth in said Order.

NOW, THEREFORE, Amwest Surety Insurance Company, a corporation organized and existing under the laws of the State of Nebraska and authorized to transact business of surety in the State of New York, having an office and place of business at 115 Broadway, 17th Floor, New York, NY 10006 c/o Elmer S. Hyde, Inc., as Surety, in consideration of the premises and the issuance of said does hereby undertake to pay all costs and disbursements that may be decreed to the Defendants and such damages not exceeding the amount of Fifty Thousand and No'100 —($50,000.00) Dollars as the Defendants may sustain by reason of said Preliminary Injunction, if the same be wrongful and without sufficient cause.

IN WITNESS WHEREOF, we have set our hand and seal this 23rd day of December, 1997.

Amwest Surety Insurance Company

By: /s/ Angela Cordiano
ANGELA CORDIANO
Attorney-in-Fact

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

[Caption Omitted]

NOTICE OF APPEAL

Notice is hereby given that Defendants Grupo Mexicano de Desarrollo, S.A., Desarrollo de Infraestructura, S.A. de C.V., Obras Y Proyectos, S.A. de C.V., Desarrollo Urbano Integral, S.A. de C.V., and Desarrollo Industrial Latinoamericano, S.A. de C.V., (collectively "GMD") hereby appeal to the United States Court of Appeals for the Second Circuit from this Court's Order dated December 23, 1997 granting plaintiffs' motion for a preliminary injunction (the "Order"). The Order is attached hereto.

Dated: New York, New York
December 23, 1997

MORGAN, LEWIS & BOCKIUS LLP

By: /s/ Richard A. Mescon
RICHARD A. MESCON (RM-9023)
101 Park Avenue
New York, New York 10178
(212) 309-6000
Attorneys for Defendants

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(212) 574-1200

Attorneys for Plaintiffs

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

[Caption Omitted]

ANSWER AND COUNTERCLAIMS

JURY TRIAL DEMANDED

Defendants Grupo Mexicano de Desarrollo, S.A. ("GMD"), Desarrollo de Infraestructura, S.A. de C.V., Obras y Proyectos, S.A. de C.V., Desarrollo Urbano Integral, S.A. de C.V., and Desarrollo Industrial Latinoamericano, S.A. de C.V. (collectively the "Guarantors"), for their Answer to the Complaint of plaintiffs, by and through their undersigned attorneys, allege as follows:

1. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 1 of the Complaint.

2. Denies the allegations contained in paragraph 2 of the Complaint, except respectfully refers the Court to the Complaint for the allegations contained therein.

3. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 3 of the Complaint.

4. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 4 of the Complaint.

5. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 5 of the Complaint.

6. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 6 of the Complaint.

7. Admits the allegations contained in paragraph 7 of the Complaint.

8. Admits the allegations contained in paragraph 8 of the Complaint.

9. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 9 of the Complaint.

10. Admits the allegations contained in paragraph 10 of the Complaint.

11. Denies the allegations contained in paragraph 11 of the Complaint, except admits that GMD issued the Notes and respectfully refers the Court to the Notes for the terms and legal significance thereof.

12. Admits the allegations contained in paragraph 12 of the Complaint.

13. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 13 of the Complaint.

14. Admits the allegations contained in paragraph 14 of the Complaint.

15. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 15 of the Complaint, except admits that GMD did not make the August 17, 1997 interest payment.

16. With respect to paragraph 16 of the Complaint, respectfully refers the Court to the guarantee instrument regarding the terms and legal significance thereof.

17. With respect to paragraph 17 of the Complaint, respectfully refers the Court to the guarantee instrument regarding the terms and legal significance thereof, except admits that the interest payable on August 17, 1997 was not paid.

18. With respect to paragraph 18 of the Complaint, denies knowledge or information sufficient to form a belief

as to the truth of the allegations that acceleration was proper, but admits plaintiffs served defendants with purported acceleration documentation.

19. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 19 of the Complaint.

20. Denies the allegations contained in paragraph 20 of the Complaint.

21. With respect to paragraph 21 of the Complaint, denies the allegations, but admits that GMD has substantial other creditors some of which are listed in the Complaint.

22. Admits the allegations contained in paragraph 22 of the Complaint.

23. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 23 of the Complaint, except admits that toll road traffic and revenue is below originally projected levels and that GMD has unpaid invoices relating to its work in building the toll roads.

24. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 24 of the Complaint, except admits the Mexican Government issued a decree on August 27, 1997, and respectfully refers the Court to the decree for its terms and conditions.

25. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 25 of the Complaint, except admits GMD was an equity investor in several concessionaires.

26. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 26 of the Complaint, except admits certain of the Government Notes are expected to be tendered to

GMD in payment of certain outstanding construction receivables.

27. Admits the allegations contained in paragraph 27 of the Complaint.

28. Denies the allegations contained in paragraph 28 of the Complaint.

29. Denies the allegations contained in paragraph 29 of the Complaint, but respectfully refers the Court to the document mentioned therein.

30. Denies the allegations contained in paragraph 30 of the Complaint, but respectfully refers the Court to the document mentioned therein.

31. Admits the alegations contained in paragraph 31 of the Complaint.

32. Denies the allegations contained in paragraph 32 of the Complaint, except admits that GMD is at risk of insolvency.

33. Denies the allegations contained in paragraph 33 of the Complaint.

34. With respect to paragraph 34 of the Complaint, respectfully refers the Court to the Notes for the terms and legal significance thereof.

35. Denies the allegations contained in paragraph 35 of the Complaint.

36. Denies the allegations contained in paragraph 36 of the Complaint, except admits that GMD has made certain irrevocable assignments of certain of the Government Notes, and respectfully refers the Court to the document mentioned therein.

37. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 37 of the Complaint.

38. Denies the allegations contained in paragraph 38 of the Complaint.

39. With respect to the allegations contained in paragraph 39 of the Complaint, paragraphs 1 through 38 of this Answer are incorporated herein by reference.

40. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 40 of the Complaint.

41. Denies the allegations contained in paragraph 41 of the Complaint.

42. With respect to the allegations contained in paragraph 42 of the Complaint, paragraphs 1 through 41 of this Answer are incorporated herein by reference.

43. Denies the allegations contained in paragraph 43 of the Complaint.

44. Denies the allegations contained in paragraph 44 of the Complaint.

45. Denies the allegations contained in paragraph 45 of the Complaint.

46. Denies the allegations contained in paragraph 46 of the Complaint.

FIRST AFFIRMATIVE DEFENSE

47. Plaintiffs' claims are barred by the doctrine of equitable estoppel.

SECOND AFFIRMATIVE DEFENSE

48. Plaintiffs' claims are barred by the doctrine of unclean hands.

THIRD AFFIRMATIVE DEFENSE AND FIRST COUNTERCLAIM

49. The Court has jurisdiction over this counterclaim by virtue of 28 U.S.C. § 1332(a)(2) because the amount in controversy exceeds $75,000 and this action is between citizens of a State and citizens or subjects of a foreign

state, and alternatively by virtue of 28 U.S.C. § 1367(a) because the claim is so related to the claims in plaintiffs' Complaint that they form part of the same case or controversy under Article III of the United States Constitution.

50. The Court has personal jurisdiction over each of the plaintiffs and venue is proper in this district.

51. One of defendants' principal creditors is FOBAPROA ("Fondo Bancario de Protección al Ahorro," or "Bank Savings Support Fund"), a fund established under the auspices of Banco de Mexico (Mexico's Central Bank) for the purpose of supporting banking institutions in financial difficulty via, among other vehicles, direct loans or the purchase of loans at above-market rates.

52. Certain of defendants' Mexican bank creditors assigned loans they had made to GMD and its subsidiaries to FOBAPROA as part of the recapitalization of such banks.

53. GMD has begun efforts to renegotiate bank debt of GMD and its subsidiaries of approximately $256 million with FOBAPROA.

54. In return for good and valuable consideration, plaintiffs, by and through their agents, orally and in writing, agreed not to interfere with GMD's negotiations with FOBAPROA or otherwise discuss GMD and its subsidiaries with FOBAPROA.

55. Upon information and belief, plaintiffs breached this agreement on various occasions by engaging in discussions with FOBAPROA regarding GMD and its subsidiaries to the detriment of defendants.

56. Plaintiffs thereby also breached their obligation of good faith and fair dealing owed to defendants.

57. Defendants have been damaged by plaintiffs' breach of the agreement not to interfere with or otherwise discuss GMD and its subsidiaries with FOBAPROA, and by

plaintiffs' breach of their obligation of good faith and fair dealing owed to defendants.

FOURTH AFFIRMATIVE DEFENSE AND SECOND COUNTERCLAIM

58. Defendants repeat the allegations in paragraphs 49 through 57.

59. An agreement in principle was reached with FOBAPROA, that GMD and its subsidiaries would pay the amounts due at a substantial discount of approximately 60%.

60. Upon information and belief, plaintiffs had notice and knowledge of the agreement between GMD and FOBAPROA.

61. Even though plaintiffs had notice and knowledge of the agreement, upon information and belief, plaintiffs, by and through their agents, wrongfully, knowingly, intentionally, maliciously and without reasonable justification or excuse, caused FOBAPROA to back out of the agreement and to refuse to proceed further.

62. Upon information and belief, a final agreement would have resulted between FOBAPROA and defendants but for the interference of plaintiffs.

63. By reason of plaintiffs' interference, defendants have been unable to reach agreement with FOBAPROA and defendants have been deprived of the substantial discount they would have received from FOBAPROA, so that defendants have been injured in the amount of at least $153 million.

FIFTH AFFIRMATIVE DEFENSE AND THIRD COUNTERCLAIM

64. Defendants repeat the allegations in paragraphs 49 through 63.

65. By virtue of their interference in the restructuring of defendants' financial operations, upon information and belief, plaintiffs have intentionally inflicted harm upon defendants without excuse or justification, resulting in special damages to defendants.

SIXTH AFFIRMATIVE DEFENSE AND FOURTH COUNTERCLAIM

66. Defendants repeat the allegations in paragraphs 49 through 65.

67. GMD has irrevocably assigned certain amounts of the Government Notes to creditors, including but not limited to an assignment to the Mexican Government for back taxes and an assignment to an employee severance trust.

68. Upon information and belief, plaintiffs had notice and knowledge of GMD's right to receive certain amounts of the Government Notes, and of GMD's assignments of at least $117 million of such notes.

69. Even though plaintiffs had notice and knowledge of GMD's right to receive certain amounts of the Government Notes, and of GMD's assignment of at least $117 million of su h notes, upon information and belief, the plaintiffs, by and through their agents, wrongfully, knowingly, intentionally, maliciously and without reasonable justification or excuse, attempted to persuade the Mexican Government to defer the partial or complete payment of the Government Notes to GMD and its subsidiaries.

70. Upon information and belief, the plaintiffs' interference has caused the Mexican Government to delay the payment of the Government Notes to GMD.

71. By reason of the plaintiffs' interference, defendants have been deprived of the substantial benefits they would have received as a result of the assignments, and have been injured in the amount of at least $117 million.

WHEREFORE, defendants respectfully requests judgment in its favor and against plaintiffs, jointly and severally, in the amount of at least $153 million, with interest and costs, punitive damages, attorney's fees and such other relief as the Court deems just and proper.

JURY DEMAND

72. Defendants hereby demand a jury for resolution of the issues raised by plaintiffs' Complaint as well as the issues raised herein by defendants' Answer, Affirmative Defenses and Countercaims.

Dated: New York, New York
January 8, 1998

MORGAN, LEWIS & BOCKIUS LLP

By: /s/ Richard A. Mescon
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[Certificate of Service Omitted]

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

[Caption Omitted]

REPLY TO COUNTERCLAIMS AND DEFENSES

Plaintiffs Alliance Bond Fund, Inc., Alliance World Dollar Government Fund II, Inc., Alliance Global Dollar Government Fund, Inc., Elliot Associates, L.P., Avalon Total Return Fund, L.P., The Varde Fund, L.P., The Varde Fund II-A, L.P., The Varde Fund II-B, L.P., The Varde Fund III-A, L.P., The Varde Fund III-B, L.P., and The Varde Fund IV-A, L.P. (collectively, "Plaintiffs") by their respective attorneys Seward & Kissel and Orrick, Herrington & Sutcliffe LLP, for their reply to the counterclaims of defendants Grupo Mexicano de Desarrollo, S.A. ("GMD"), Desarrollo de Infraestructura, S.A. de C.V., Obras y Proyectos, S.A. de C.V., Desarrollo Urbano Integral, S.A. de C.V. and Desarrollo Industrial Latinoamericano, S.A. de C.V. (collectively, "Defendants"):

1. Deny the averments of paragraph 49, except state that Defendants purport to invoke the jurisdiction of this Court over their counterclaims by virtue of 28 U.S.C. § 1332(a)(2) and, alternatively, by virtue of 28 U.S.C. § 1367(a).

2. Admit the averments of paragraph 50.

3. Deny the averments of paragraphs 51, 52 and 53, except state that, on information and belief, certain Mexican bank lenders of Defendants have transferred Defendants' defaulted bank debt to Fobaproa, a special purpose trust administered under the aegis of the Mexican Central Bank and that Defendants, on information and belief,

have engaged in discussions with Fobaproa to renegotiate their defaulted bank debt held by Fobaproa.

4. Deny the averments of paragraphs 54, 55, 56 and 57.

5. Deny the averments of paragraph 59, except state that Defendants informed Plaintiffs of a proposed settlement between GMD and Fobaproa to repay the defaulted bank debt held by Fobaproa at a discount.

6. Deny the averments of paragraphs 60, 61, 62, 63 and 65.

7. Deny the averments of paragraphs 67, 68, 69, 70 and 71, except state that GMD reported in its press release of October 28, 1997, that Defendants expected to receive a certain amount of Government Notes under the Toll Road Restructuring Plan, that Defendants purportedly had established a trust to which they had assigned the right to receive $17 million of Government Notes to pay employee severance packages, and that Defendants purportedly had assigned $100 million in Government Notes to the Mexican Treasury for payment of past tax liabilities.

8. Plaintiffs reallege and incorporate by reference in each and every defense asserted herein Paragraphs 1 through 41 of the Complaint.

FIRST DEFENSE

9. Each of the counterclaims fail to state a claim upon which relief can be granted.

SECOND DEFENSE

10. Each of the counterclaims is barred by the doctrine of laches.

THIRD DEFENSE

11. Each of the counterclaims is barred by the doctrine of unclean hands.

FOURTH DEFENSE

12. Each of the counterclaims is barred by principles of equitable and promissory estoppel.

FIFTH DEFENSE

11. Plaintiffs reallege and incorporate by reference paragraphs 1 through 12 herein.

14. On information and belief, Plaintiffs did not interfere with GMD's negotiations with Fobaproa.

15. By reason thereof, the First Counterclaim should be dismissed.

SIXTH DEFENSE

16. Plaintiffs reallege and incorporate by reference paragraphs 1 through 15 herein.

17. Defendants have not and could not have been damaged as a result of any alleged interference by Plaintiffs with GMD's negotiations with Fobaproa because, as Defendants admit, any proposed settlement agreement between GMD and Fobaproa was subject to Plaintiffs' express approval.

18. By reason thereof, the First Counterclaim should be dismissed.

SEVENTH DEFENSE

19. Plaintiffs reallege and incorporate by reference paragraphs 1 through 18 herein.

20. Plaintiffs have fulfilled any obligation of good faith and fair dealing owed Defendants.

21. By reason thereof, the First Counterclaim should be dismissed.

EIGHTH DEFENSE

22. Plaintiffs reallege and incorporate by reference paragraphs 1 through 21 herein.

23. On information and belief, defendants never entered into a binding settlement agreement with Fobaproa.

24. By reason thereof, the Second Counterclaim should be dismissed.

NINTH DEFENSE

25. Plaintiffs reallege and incorporate by reference paragraphs 1 through 24 herein.

26. Even assuming, arguendo, that defendants had entered into a binding settlement agreement with Fobaproa, plaintiffs had no knowledge of any such agreement.

27. By reason thereof, the Second Counterclaim should be dismissed.

TENTH DEFENSE

28. Plaintiffs reallege and incorporate by reference paragraphs 1 through 27 herein.

29. Any action taken by Plaintiffs with respect to any alleged agreement in principle between GMD and Fobaproa was privileged and justified by Plaintiffs' need to protect their economic interests in the Notes under which Defendants are indebted to Plaintiffs for some $80.2 million plus accruing interest.

30. By reason thereof, the Second Counterclaim should be dismissed.

ELEVENTH DEFENSE

31. Plaintiffs reallege and incorporate by reference paragraphs 1 through 30 herein.

32. Any action taken by Plaintiffs with respect to any alleged agreement in principle between GMD and Fobaproa was motivated by Plaintiffs' economic interests in the Notes under which Defendants are indebted to Plaintiffs for some $80.2 million plus accruing interest, rather than by any malicious intent on the part of Plaintiffs or desire to inflict injury.

33. By reason thereof, the Second Counterclaim should be dismissed.

TWELFTH DEFENSE

34. Plaintiffs reallege and incorporate by reference paragraphs 1 through 33 herein.

35. Any action taken by Plaintiffs with respect to any alleged agreement in principle between GMD and Fobaproa was not fraudulent or criminal, or otherwise wrongful or improper.

36. By reason thereof, the Second Counterclaim should be dismissed.

THIRTEENTH DEFENSE

37. Plaintiffs reallege and incorporate by reference paragraphs 1 through 36 herein.

38. Defendants have not been damaged as a result of any alleged interference by Plaintiffs with any alleged agreement in principle between GMD and Fobaproa because, as defendants admit, any proposed settlement agreement between GMD and Fobaproa was subject to Plaintiffs' express approval.

39. By reason thereof, the Second Counterclaim should be dismissed.

FOURTEENTH DEFENSE

40. Plaintiffs reallege and incorporate by reference paragraphs 1 through 39 herein.

41. Any action taken by Plaintiffs with respect to the restructuring of Defendants' financial operations was privileged and justified by Plaintiffs' need to protect their economic interests in the Notes under which Defendants are indebted to Plaintiffs for some $80.2 million plus accruing interest.

42. By reason thereof, the Third Counterclaim should be dismissed.

FIFTEENTH DEFENSE

43. Plaintiffs reallege and incorporate by reference paragraphs 1 through 42 herein.

44. Any action taken by Plaintiffs with respect to the restructuring of Defendants' financial operations was motivated by Plaintiffs' economic interests in the Notes under which Defendants are indebted to Plaintiffs for some $80.2 million plus accruing interest, rather than by any malicious intent on the part of Plaintiffs or desire to inflict injury.

45. By reason thereof, the Third Counterclaim should be dismissed.

SIXTEENTH DEFENSE

46. Plaintiffs reallege and incorporate by reference paragraphs 1 through 45 herein.

47. Any action taken by Plaintiffs with respect to the restructuring of Defendants' financial operations was not fraudulent or criminal, or otherwise wrongful or improper.

48. By reason thereof, the Third Counterclaim should be dismissed.

SEVENTEENTH DEFENSE

49. Plaintiffs reallege and incorporate by reference paragraphs 1 through 48 herein.

50. On information and belief, any action taken by Plaintiffs with respect to the restructuring of Defendants' financial operations has not resulted in special damages to Defendants.

51. By reason thereof, the Third Counterclaim should be dismissed.

EIGHTEENTH DEFENSE

52. Plaintiffs reallege and incorporate by reference paragraphs 1 through 51 herein.

53. The Third Counterclaim sounding in prima facie tort is redundant of the Second and Fourth Counterclaims.

54. By reason thereof, the Third Counterclaim should be dismissed.

NINETEENTH DEFENSE

55. Plaintiffs reallege and incorporate by reference paragraphs 1 through 54 herein.

56. On information and belief, Defendants have not entered into a binding agreement with the Mexican Government to receive the Government Notes.

57. By reason thereof, the Fourth Counterclaim should be dismissed.

TWENTIETH DEFENSE

58. Plaintiffs reallege and incorporate by reference paragraphs 1 through 57 herein.

59. On information and belief, Defendants have not entered into binding agreements to assign certain amounts of Government Notes to creditors.

60. By reason thereof, the Fourth Counterclaim should be dismissed.

TWENTY-FIRST DEFENSE

61. Plaintiffs reallege and incorporate by reference paragraphs 1 through 60 herein.

62. Any action taken by Plaintiffs with respect to the Mexican Government was privileged and justified by Plaintiffs' need to protect their economic interests in the Notes under which Defendants are indebted to Plaintiffs for some $80.2 million plus accruing interest.

63. By reason thereof, the Fourth Counterclaim should be dismissed.

TWENTY-SECOND DEFENSE

64. Plaintiffs reallege and incorporate by reference paragraphs 1 through 63 herein.

65. Any action taken by Plaintiffs with respect to the Mexican Government was motivated by Plaintiffs' economic interests in the Notes under which Defendants are indebted to Plaintiffs for some $80.2 million plus accruing interest, rather than by any malicious intent on the part of Plaintiffs or desire to inflict injury.

66. By reason thereof, the Fourth Counterclaim should be dismissed.

TWENTY-THIRD DEFENSE

67. Plaintiffs reallege and incorporate by reference paragraphs 1 through 66 herein.

68. Any action taken by Plaintiffs with respect to the Mexican Government was not fradulent or criminal, or otherwise wrongful or improper.

69. By reason thereof, the Fourth Counterclaim should be dismissed.

TWENTY-FOURTH DEFENSE

70. Plaintiffs reallege and incorporate by reference paragraphs 1 through 69 herein.

71. On information and belief, any action taken by Plaintiffs with respect to the Mexican Government did not cause the Mexican Government to delay payment of the Government Notes to GMD.

72. By reason thereof, the Fourth Counterclaim should be dismissed.

TWENTY-FIFTH DEFENSE

73. Plaintiffs reallege and incorporate by reference paragraphs 1 through 72 herein.

74. On information and belief, any action taken by Plaintiffs with respect to the Mexican Government has not resulted in damages to Defendants.

75. By reason thereof, the Fourth Counterclaim should be dismissed.

TWENTY-SIXTH DEFENSE

76. Plaintiffs reallege and incorporate by reference paragraphs 1 through 75 herein.

77. On information and belief, any action taken by Plaintiffs with respect to the Mexican Government did not cause the breach of any purported assignments of the Government Notes.

78. By reason thereof, the Fourth Counterclaim should be dismissed.

TWENTY-SEVENTH DEFENSE

79. Plaintiffs reallege and incorporate by reference paragraphs 1 through 78 herein.

80. On information and belief, any action taken by Plaintiffs with respect to the Mexican Government has not deprived Defendants of any benefits they allegedly would have received as a result of the purported assignments of Government Notes to creditors.

81. By reason thereof, the Fourth Counterclaim should be dismissed.

WHEREFORE, Plaintiffs respectfully request that the Court enter judgment (a) dismissing the Counterclaims with prejudice, (b) awarding Plaintiffs reasonable attorneys' fees and disbursements incurred in defending the counterclaims, and (c) granting such other and further relief as may seem just and proper.

New York, New York
February 19, 1998

ORRICK, HERRINGTON & SUTCLIFFE LLP

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-and-

SEWARD & KISSEL

By: /s/ Dale C. Christensen, Jr.
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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

[Caption Omitted]

SUPPLEMENTAL DECLARATION OF MICHAEL KRAMER IN SUPPORT OF PLAINTIFFS' MOTION FOR SUMMARY JUDGMENT ON THEIR BREACH OF CONTRACT CLAIMS

MICHAEL KRAMER, pursuant to 28 U.S.C. § 1746 declares:

1. I submit this Supplemental Declaration in support of plaintiffs' motion for summary judgment on their breach of contract claim to provide the Court with plaintiffs' calculation of the principal and interest due and owing plaintiffs as of April 10, 1998. Except for those matters stated on information and belief, I have personal knowledge of the facts set forth herein. The sources of my information and bases of my belief are the documents identified below. Capitalized terms have the same meaning as in my Declaration of December 11, 1997 (which is attached as Exhibit D to the Affidavit of Dale C. Christensen, Jr. in Support of Plaintiffs' Motion for Summary Judgment on their Breach of Contract Claim).

2. According to the GMD Note (which is attached to my Declaration of December 11, 1997 as Exhibit B), interest is payable semi-annually in arrears on February 17 and August 17 of each year at a rate of 3¼ percent per year. (Page 105) Such interest is calculated on the basis of a 360-day year of twelve 30-day months. (*Id.*) Moreover, as provided therein, interest at the rate of 8¼ percent is also owed on any overdue installment of interest. (*Id.*)

3. Based on plaintiffs' Notices of Acceleration, plaintiffs are the beneficial owners of $75,006,000 principal amount of the Notes.

4. As set forth in the calculation attached as Exhibit A, the unpaid and accrued interest due plaintiffs on this amount through April 10, 1998 is $7,317,936 for a total indebtedness of $82,323,936 as of April 10, 1998. As noted in the calculation, interest continues to accrue in the amount of $17,189 per day. Plaintiffs respectfully request that such accrued interest through the date of judgment be included in the judgment.

5. In addition to a money judgment, plaintiffs' respectfully request that the Court issue a turnover order directing defendants to irrevocably assign or transfer to plaintiffs a sufficient amount of toll road Receivables or Government Notes, as the case may be, to satisfy the judgment in plaintiffs' favor. This Court's December 23, 1997 preliminary injunction order presently enjoins defendants from assigning or otherwise transferring their remaining interests in toll road Receivables or Government Notes. Pending such assignment or transfer, plaintiffs respectfully request that the Court continue to enjoin defendants from assigning or transferring such interests to third parties.

6. Based on Defendants' own statements, the monetization rate (i.e., rate of exchange for cash) for toll road Receivables is about 50% of their face amount. Accordingly, $164,647,872 face amount of toll road Receivables is needed to satisfy a judgment in the amount of $82,323,936. (A copy of a letter from defendants' counsel, dated February 12, 1998, setting forth the monetization rates is attached as Exhibit B.)

7. In the event the Court is not inclined to issue a turnover order, plaintiffs respectfully request that the Court convert its preliminary injunction order to a permanent injunction to prevent frustration of the judgment.

I declare under penalty of perjury that the foregoing is true and correct. Executed on April 14, 1998 at New York, New York.

/s/ Michael Kramer
MICHAEL KRAMER

CALCULATION OF AMOUNTS OWED

Plaintiff		Principal Amount Owed
Alliance Funds		$54,100,000
Avalon Fund		1,274,000
Elliot Associates, L.P.		2,850,000
Varde Funds		16,782,000
		$75,006,000
Annual Interest Rate—8.25%		
Daily Interest Owed Plaintiffs Under A 360-Day Year	$ 17,189	
August 17, 1997 Interest Payment Owed Plaintiffs	$3,093,998	
Interest Owned Plaintiffs for August 18, 1997 Through April 10, 1998 (236 Days)	$4,056,604	
Interest @ 8.25% Owed Plaintiffs On Overdue Interest ($3,093,998) for August 18, 1997 Through April 10, 1998 (236 Days)	$ 167,334	
Total Interest Owed Plaintiffs		$ 7,317,936
Grand Total Principal Plus Interest Owed as of April 10, 1998		$82,323,936

MORGAN, LEWIS & BOCKIUS LLP
COUNSELORS AT LAW

101 Park Avenue
New York, New York 10178-0060

Richard A. Mescon
212-309-6164

February 12, 1998

VIA FACSIMILE

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Dale C. Christensen, Jr., Esq.
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Re: Alliance Bond Fund et al. v. Grupo Mexicano De Desarrollo, S.A., et al. 97 Civ. 9165 (JSM)

Gentlemen:

While our discussions over the last week have not resulted in a final agreement, I believe they have been useful in focusing and narrowing the issues. Some of the points you have raised have helped us and our client to clarify our thinking with regard to the pending application before Judge Martin.

I am therefore writing to let you know, in advance of the hearing, the specific nature of the relief we will be requesting, which I think is somewhat more concrete than our original statement of position.

Rather than asking that $7,073,000 in dollars be generated by receivables released from the preliminary injunction, we will only be requesting that $7,073,000 face amount of receivables be released. We plan to "monetize" these receivables by selling them to a financial institution. In such a sale we would expect to receive about 50% of the face amount of the receivables at the time of the sale and the balance of the face amount (less a financing component based on current Mexican interest rates) at the time the Toll Road Notes are issued by the Mexican Government. Since it is our hope and expectation that the Toll Road Notes will be released by the Government within about a month, this plan would generate for GMD all of the needed cash for ongoing operations during the first quarter (though GMD would not receive all of the cash at the time of sale of the receivables). If the Toll Road Notes are released in that time frame, GMD will comply with your request for a monetization rate of at least 90%.

Such a plan, to succeed, would of course require the Mexican Government's prompt issuance of at least some portion of the Toll Road Notes. I understand that our client is still soliciting your cooperation in achieving this result.

Sincerely,

/s/ Richard A. Mescon
RICHARD A. MESCON

RAM/dl

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

Docket No. 97-9610

ALLIANCE BOND FUND, INC., *et al.*,
Plaintiffs-Appellees,
v.

GRUPO MEXICANO DE DESARROLLO, S.A., *et al.*,
Defendants-Appellants.

PLAINTIFFS-APPELLEES' SUGGESTION OF MOOTNESS

Plaintiffs-Appellees ("Plaintiffs") respectfully suggest that this appeal of the December 23, 1997 order of the United States District Court for the Southern District of New York, the Honorable John S. Martin ("District Court") granting Plaintiff's motion for a preliminary injunction is moot because, on April 17, 1998, the District Court entered final judgment in Plaintiffs' favor against Defendants, a copy of which is attached hereto.

Dated: April 17, 1998
New York, New York

ORRICK, HERRINGTON & SUTCLIFFE LLP

By: /s/ Andrew J. Wertheim
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-and-

SEWARD & KISSEL

By: /s/ Dale C. Christensen, Jr.
DALE C. CHRISTENSEN, JR. (DC-4441)
One Battery Park Plaza
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(212) 575-1200
Attorneys for Plaintiffs-Appellees Alliance Bond Fund, Inc., Alliance World Dollar Government Fund II, Inc., and Alliance Global Dollar Government Fund, Inc.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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97 Civ. 9165 (JSM)

ALLIANCE BOND FUND, INC., ALLIANCE WORLD DOLLAR GOVERNMENT FUND II, INC., ALLIANCE GLOBAL DOLLAR GOVERNMENT FUND, INC., ELLIOT ASSOCIATES, L.P., AVALON TOTAL RETURN FUND, L.P., THE VARDE FUND, L.P., THE VARDE FUND II-A, L.P., THE VARDE FUND II-B, L.P., THE VARDE FUND III-A, L.P., THE VARDE FUND III-B, L.P., and THE VARDE FUND IV-A, L.P.,

Plaintiffs,

-against-

GRUPO MEXICANO DE DESARROLLO, S.A., DESARROLLO DE INFRAESTRUCTURA, S.A. de C.V., OBRAS Y PROYECTOS, S.A. de C.V., DESARROLLO URBANO INTEGRAL, S.A. de C.V. and DESARROLLO INDUSTRIAL LATINOAMERICANO, S.A. de C.V.,

Defendants.

ORDER

WHEREAS, Plaintiffs moved on February 19, 1998 (1) pursuant to Fed. R. Civ. P. 56(c) for an award of summary judgment on their claim against Defendants for breach of contract in the amount of at least $80,194,054 as of December 12, 1997 together with accruing prejudgment interest and (2) pursuant to Fed. R. Civ. P. 12(b)(6) to dismiss with prejudice Defendants' counterclaims asserted in their Answer and Counterclaims, dated January 8, 1998;

WHEREAS, Defendants submitted no opposition to the aforesaid motions to the extent the motions seek a money judgment in Plaintiffs' favor and dismissal of the counterclaims with prejudice;

WHEREAS, Plaintiffs also moved for an order directing Defendants to irrevocably assign or transfer to Plaintiffs a sufficient amount of toll road Receivables or Government Notes (as those terms are defined in the moving papers) to satisfy the judgment or, alternatively, for an order converting the Court's preliminary injunction order of December 23, 1997 to a permanent injunction;

WHEREAS, the Court issued a preliminary injunction on December 23, 1997 enjoining Defendants from assigning or otherwise transferring their interests in the toll road Receivables or Government Notes pending the outcome of this action;

NOW, THEREFORE, upon consideration of the filings and evidence submitted by the parties, the arguments of counsel, and all the pleadings and prior proceedings herein, and due deliberation having been had, it is hereby ORDERED that:

1. Plaintiffs' motion for summary judgment on their breach of contract claim is granted; and plaintiffs are awarded judgment in the amount of $82,444,259.00;

2. Plaintiffs' motion to dismiss Defendants' counterclaims with prejudice is granted;

3. Plaintiffs' motion for an order directing Defendants to irrevocably assign or transfer to Plaintiffs a sufficient amount of toll road Receivables or Government Notes to satisfy the judgment is granted;

4. Pending such assignment or transfer, the restraints as stated in the preliminary injunction order issued on December 23, 1997 shall continue and are incorporated herein by reference; and

5. The preliminary injunction ordered December 23, 1997 is converted to a permanent injunction effective until the defendant meets its obligation set forth in paragraph 3.

6. Defendants' obligation in paragraph 3 is stayed for 10 days.

Dated: New York, New York
April —, 1998

/s/ John S. Martin, Jr.
HON. JOHN S. MARTIN, JR.
United States District Judge
4/17/98

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

[Caption Omitted]

NOTICE OF APPEAL

Notice is hereby given that Defendants Grupo Mexicano de Desarrollo, S.A., Desarrollo de Infraestructura, S.A. de C.V., Obras Y Proyectos, S.A. de C.V., Desarrollo Urbano Integral, S.A. de C.V., and Desarrollo Industrial Latinoamericano, S.A. de C.V., (collectively "GMD") hereby appeal to the United States Court of Appeals for the Second Circuit from:

1. So much of this Court's Order dated April 17, 1998 and this Court's Judgment dated April 17, 1998 ("the Judgment") which order GMD to irrevocably assign or transfer a sufficient amount of toll road receivables or Mexican Government notes to plaintiffs to satisfy the Judgment; and

2. So much of this Court's Order dated April 17, 1998 and this Court's Judgment dated April 17, 1998 converting this Court's preliminary injunction dated December 23, 1997 into a permanent injunction effective until GMD irrevocably assigns a sufficient amount of toll road receivables or Mexican Government notes to plaintiffs to satisfy the Judgment.

The Order and Judgment are attached hereto.

Dated: New York, New York
April 20, 1998

MORGAN, LEWIS & BOCKIUS LLP

By: /s/ Laurie E. Foster
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(212) 574-1200
Attorneys for Plaintiffs

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

At a stated Term of the United States Court of Appeals for the Second Circuit, held at the United States Courthouse, Foley Square, in the City of New York, on the 1st day of May, one thousand nine hundred and ninety-eight.

PRESENT: HONORABLE JOSEPH M. MCLAUGHLIN,
HONORABLE PIERRE N. LEVAL,
Circuit Judges.
HONABLE MILTON POLLACK,
District Judge.

Docket No. 97-9610

ALLIANCE BOND FUND, INC.; ALLIANCE WORLD DOLLAR GOVERNMENT FUND II, INC.; ALLIANCE GLOBAL DOLLAR GOVENMENT FUND, INC.; ELLIOTT ASSOCIATES, L.P.; AVALON TOTAL RETURN FUND, L.P.; THE VARDE FUND, L.P.; THE VARDE FUND II-A, L.P.; THE VARDE FUND II-B, L.P.; THE VARDE FUND III-A, L.P.; THE VARDE FUND III-B, L.P.; and THE VARDE FUND IV-A, L.P.,

Plaintiffs-Appellees,

v.

GRUPO MEXICANO DE DESARROLLO, S.A.; DESARROLLO DE INFRAESTRUCTURA, S.A., DE C.V.; OBRAS Y PROYECTOS, S.A. DE C.V.; DESARROLLO URBANO INTEGRAL, S.A. DE C.V.; and DESARROLLO INDUSTRIAL LATINOAMERICANO, S.A. DE C.V.,

Defendants-Appellants.

ORDER

So much of the District Court's Order and Judgment as requires Defendants to irrevocably assign or transfer certain notes and receivables to Plaintiffs within ten business days is stayed pending appeal. The rest of the Order and Judgment, including the entry of permanent injunction, is unaffected by this Order and remains effective.

FOR THE COURT:
GEORGE LANGE III
Clerk

By: /s/ Lucille M. Carr
LUCILLE M. CARR,
Operations Manager

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

At a stated Term of the United States Court of Appeals for the Second Circuit, held at the United States Courthouse, Foley Square, in the City and County of New York, on the 4th day of May, one thousand nine hundred and ninety-eight.

PRESENT: HONORABLE JOSEPH M. MCLAUGHLIN,
HONORABLE PIERRE N. LEVAL,
Circuit Judges.
HONORABLE MILTON POLLACK,*
District Judge.

No. 98-7549

ALLIANCE BOND FUND, INC.; ALLIANCE WORLD DOLLAR GOVERNMENT FUND II, INC.; ALLIANCE GLOBAL DOLLAR GOVENMENT FUND, INC.; ELLIOTT ASSOCIATES, L.P.; AVALON TOTAL RETURN FUND, L.P.; THE VARDE FUND, L.P.; THE VARDE FUND II-A, L.P.; THE VARDE FUND II-B, L.P.; THE VARDE FUND III-A, L.P.; THE VARDE FUND III-B, L.P.; and THE VARDE FUND IV-A, L.P.,

Plaintiffs-Appellees,

-v.-

GRUPO MEXICANO DE DESARROLLO, S.A.; DESARROLLO DE INFRAESTRUCTURA, S.A., DE C.V.; OBRAS Y PROYECTOS, S.A. DE C.V.; DESARROLLO URBANO INTEGRAL, S.A. DE C.V.; and DESARROLLO INDUSTRIAL LATINOAMERICANO, S.A. DE C.V.,

Defendants-Appellants.

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*The Honorable Milton Pollack, Senior Judge of the United States District Court for the Southern District of New York, sitting by designation.

SUMMARY ORDER

Alliance Bond Fund v. Grupo Mexicano, No. 98-7549

Plaintiff Alliance Bond Fund moves to dismiss the appeal on the grounds that it is moot. The motion is denied. *Meyers v. Jay Street Connecting R.R.*, 288 F.2d 365 (2d Cir. 1961).

/s/ Joseph M. McLaughlin
HON. JOSEPH M. MCLAUGHLIN

/s/ Pierre N. Leval
HON. PIERRE N. LEVAL
Circuit Judges

/s/ Milton Pollack
HON. MILTON POLLACK
District Judge

[Filed May 6, 1998]

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ALLIANCE BOND FUND, INC., ALLIANCE WORLD DOLLAR GOVERNMENT FUND II, INC., ALLIANCE GLOBAL DOLLAR GOVERNMENT FUND, INC., ELLIOT ASSOCIATES, L.P., AVALON TOTAL RETURN FUND, L.P., THE VARDE FUND, L.P., THE VARDE FUND II-A, L.P., THE VARDE FUND II-B, L.P., THE VARDE FUND III-A, L.P., THE VARDE FUND III-B, L.P., and THE VARDE FUND IV-A, L.P.,

Plaintiffs,

-against-

GRUPO MEXICANO DE DESARROLLO, S.A., DESARROLLO DE INTRAESTRUCTURA, S.A. de C.V., OBRAS Y PROYECTOS, S.A. de C.V., DESARROLLO URBANO INTEGRAL, S.A. de C.V. and DESARROLLO INDUSTRIAL LATINOAMERICANO, S.A. DE C.V.,

Defendants.

STIPULATION AND ORDER

IT IS HEREBY STIPULATED AND AGREED, by and among the undersigned counsel for the parties hereto, that defendants' time to irrevocably assign or transfer to plaintiffs a sufficient amount of Toll Road Receivables or Government Notes to satisfy the Judgment herein, as provided in this Court's Order and in this Court's Judgment, both dated April 17, 1998, is hereby extended from May 1 to May 8, 1998. All other provisions in such Order and Judgment shall remain unchanged and in full force and effect.

Dated: New York, New York
May 1, 1998

ORRICK, HERRINGTON & SUTCLIFFE LLP

By: /s/ Andrew J. Wertheim
ANDREW J. WERTHEIM (AW-1554)
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(212) 506-5000

-and-

SEWARD & KISSEL

By: /s/ Dale C. Christensen, Jr.
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Attorneys for Plaintiffs

MORGAN LEWIS & BOCKIUS, L.L.P.

By: /s/ Richard A. Mescon
RICHARD A. MESCON (RM-9023)
101 Park Avenue
New York, New York 10178
(212) 309-6000
Attorneys for Defendants

SO ORDERED:

Dated: New York, New York
May 5, 1998

/s/ John S. Martin, Jr.
JOHN S. MARTIN, JR., U.S.D.J.

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

At a Stated Term of the United States Court of Appeals for the Second Circuit, held at the United States Courthouse, Foley Square, in the City of New York, on the 6th day of May, one thousand nine hundred and ninety-eight.

PRESENT: HON. JOSEPH M. MCLAUGHLIN
HON. PIERRE N. LEVAL
Circuit Judges
HON. MILTON POLLACK
District Judge*

Docket No: 97-9610

ALLIANCE BOND FUND, INC.; ALLIANCE WORLD DOLLAR GOVERNMENT FUND II, INC.; ALLIANCE GLOBAL DOLLAR GOVERNMENT FUND, INC.; ELLIOT ASSOCIATES, L.P.; AVALON TOTAL RETURN FUND, L.P.; THE VARDE FUND, L.P.; THE VARDE FUND II-A, L.P.; THE VARDE FUND II-B, L.P.; THE VARDE FUND III-A, L.P.; THE VARDE FUND III-B, L.P.; and THE VARDE FUND IV-A, L.P.,

Plaintiffs-Appellees,

v.

GRUPO MEXICANO DE DESARROLLO, S.A.; DESARROLLO DE INFRAESTRUCTURA, S.A. DE C.V.; OBRAS Y PROYECTOS, S.A. DE C.V.; DESARROLLO URBANO INTEGRAL, S.A. DE C.V.; and DESARROLLO INDUSTRIAL LATINOAMERICANO, S.A. DE C.V.,

Defendants-Appellants.

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*The Honorable Milton Pollack of the United States District Court for the Southern District of New York, sitting by designation.

Appeal from United States District Court
for the Southern District of New York

This cause came on to be heard on the transcript of record from the Southern District of New York and was argued by counsel.

ON CONSIDERATION WHEREOF, it is now hereby ORDERED, ADJUDGED, and DECREED that the judgment of said district court be and it hereby is affirmed in accordance with the opinion of this court.

For the Court
GEORGE LANGE III
Clerk

By: /s/ Beth J. Meador
BETH J. MEADOR
Issued As Mandate 5-27-98 Administrative Attorney